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Lock In Tomorrow's Tuition



At Today's Rates

More than 80 Massachusetts
colleges and universities participate.

The  **PLAN**
Prepaid Tuition Program

THE MASSACHUSETTS PREPAID TUITION PROGRAM



THE COMMONWEALTH OF MASSACHUSETTS

Spring 2000

Dear Friend:

We are pleased to join the Massachusetts Educational Financing Authority (MEFA) and our participating colleges and universities in introducing you to the U.Plan Prepaid Tuition Program – one of the two college savings programs offered by the Commonwealth of Massachusetts. This exciting program can help families prepare for the cost of college tuition by locking in tomorrow's tuition at today's rates.

By participating in the U.Plan, you are getting a head start on making your child's dream of going to college a reality – joining thousands of families since 1995 that have saved more than \$95 million in U.Plan Tuition Certificates.

We encourage you to take a moment to review the enclosed material carefully. If the plan is right for you, you can begin prepaying college tuition right now. By taking advantage of this important opportunity to "lock in" tuition rates at more than 80 participating Massachusetts colleges and universities, you are helping to secure an affordable college education for your children in the future.

Sincerely,

A handwritten signature in cursive script, reading "Argeo Paul Cellucci".

Argeo Paul Cellucci
Governor

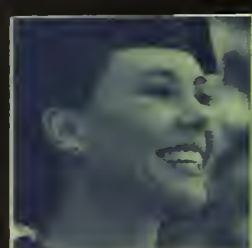
A handwritten signature in cursive script, reading "Shannon P. O'Brien".

Shannon P. O'Brien
Treasurer and Receiver-General



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2000 U.Plan Enrollment Overview

Whether you are considering a college savings program for the first time, or are already a U.Plan participant, the 2000 U.Plan Enrollment Period offers the opportunity to help assure the future education of a child, grandchild, or other loved one. By purchasing U.Plan Tuition Certificates you can lock in tomorrow's tuition at today's rates at more than 80 participating Massachusetts colleges and universities. The U.Plan is made possible by the Commonwealth of Massachusetts, the participating colleges and universities, and the Massachusetts Educational Financing Authority (MEFA).

ENROLLMENT PERIOD.

The 2000 Enrollment Period runs between May 1 and June 15, 2000. It is only during this time that you can purchase Tuition Certificates to lock in tuition and fees at 2000 rates.

EASY ENROLLMENT/PURCHASE.

To participate in this year's enrollment, simply complete and return the enclosed Purchase Request Form, designating the maturity years for which you would like to lock in tuition, and include your check for the amount you would like to purchase. (Tuition Certificates can be purchased for one or more year(s) in which the child is expected to be in college. For 2000, Tuition Certificates will be available for maturity years 2005 through 2020.) By returning your completed Purchase Request Form and check made payable to U.Plan, you will purchase Tuition Certificates directly through the U.Plan.¹

NEW THIS YEAR!

For the 2000 Enrollment Period, all participant fees have been waived, including the 1% processing fee previously deducted from purchase amounts. This means that every dollar you contribute will go directly toward Tuition Certificates, helping you reach your college savings goal.

¹ Note to prior U.Plan participants who have saved using a Fleet Bank deposit account: While you can still choose to save in a Fleet account to accumulate funds prior to each year's Enrollment Period, it is not a requirement to do so. As Fleet is no longer connected with the U.Plan, funds will not automatically be swept from your Fleet savings account to make U.Plan purchases. Throughout the year you may save using the method of your choice, and participate in the Enrollment Period each spring by mailing a check with your Purchase Request Form directly to the U.Plan.

Why You Need a College Savings Plan

Saving for a child's college education is a high priority for most families. More than ever, a college education is recognized as a critically important component in preparing for successful participation in an evolving global economy. Many studies show that workers with a college education earn, on average, significantly more than workers without a college education and have greater opportunities for personal fulfillment.

For many families, the prospect of paying for college can be intimidating, especially as costs continue to rise. From 1984 to 1999, the Consumer Price Index (CPI), a commonly used measure of inflation, increased by just over 60%. During this same period, according to The College Board¹, the average cost of tuition and fees at private four-year colleges and universities nationwide increased by 206%, while four-year public college tuition and fees rose 198%.

What will college tuition be in 5, 10, 15 years? No one can predict future college costs exactly. For many colleges, the rate of increase in tuition and fees has been somewhat reduced in recent years, but in most cases, it still significantly outpaces the general rate of inflation.²

How can I begin saving for college expenses now? As with saving for retirement or other goals, families can choose from an array of options based on their risk tolerance and overall investment style preferences. Fortunately, the Commonwealth of Massachusetts offers families two effective ways to save for college expenses: The U.Plan Prepaid Tuition Program and the U.Fund College Investing Plan.SM For more information on the U.Fund and how it compares to the U.Plan, please refer to pages 4 and 9.

¹ The College Board, *Trends in College Pricing, 1999*. (The College Board is a nonprofit scholastic service association of high schools and colleges.)

² The Commonwealth of Massachusetts has actually reduced tuition at public colleges and universities in each of the last four years.



Why the U.Plan is a Smart Choice

While no one can predict with certainty where tuition, interest rates, or the stock market will be in the future, the U.Plan is the only investment that locks in future tuition at today's rates. Investing in the U.Plan provides families with peace of mind, knowing that their savings are in a secure and safe tuition savings plan. Participants of the U.Plan get the maximum benefit by attending one of the more than 80 Massachusetts colleges and universities currently participating in the U.Plan. However, if your child does not attend a participating college, you can still use the proceeds of your U.Plan investment at maturity with its compounded annual interest at the CPI for college tuition or any other purpose.

GUARANTEED PROTECTION AGAINST RISING TUITION RATES.

The money you invest in the U.Plan purchases a Tuition Certificate, backed by a special form of a Massachusetts general obligation bond. These Commonwealth-backed Tuition Certificates offer a rate of return that's guaranteed to match the CPI, plus 2%. And participating schools have agreed to accept Tuition Certificates as a percent of tuition, regardless of any increase in their future tuition.

Tuition Certificates will be issued on or about August 1 following the Enrollment Period. You will receive an annual statement that details your total investment and its fixed guaranteed percentage at each participating college and university.

TAX-ADVANTAGED OPPORTUNITY.

All the interest you earn on your Tuition Certificates – as well as all the benefits received from these certificates – is exempt from Massachusetts state income tax.

In addition, it is the bond counsel's opinion that the interest on and benefits received from Tuition Certificates are exempt from federal income tax.

There are, however, some uncertainties as to whether they are entirely tax-exempt since the program is the first to rely on CPI-indexed general obligation bonds and the IRS has not made a ruling on the U.Plan. You'll find further details on the tax treatment of this plan in the accompanying Program Description and Offering Statement.



HOW THE U.PLAN COMPARES WITH OTHER SAVINGS ALTERNATIVES.

The following chart compares popular college savings options. An investor must consider risk when comparing different investment options. Generally, attaining higher returns involves taking greater risk. The U.Plan provides a low-risk investment with a guaranteed return.

	U.Plan Prepaid Tuition Program	U.Fund College Investing PlanSM (529 Plan¹)	Custodial Accounts (UGMA/UTMA)	Education IRA	Taxable Account
Ownership/ Control of Account	Owner	Participant	Custodian controls for the minor until age of majority	Generally, parent or legal guardian controls for the beneficiary	Registered Owner
Guidelines for Use	Locks in tuition and mandatory fees only at participating Massachusetts colleges and universities	Qualified higher education expenses (tuition, room, board, books, and required supplies and equipment) at accredited post-secondary school anywhere in the U.S.	If used before the age of majority, must be used for the benefit of the child No restrictions on use when under the control of the beneficiary	Qualified higher education expenses (tuition, room, board, books, and required supplies and equipment) by the time beneficiary turns 30	None
Adjusted Gross Income Limit	None	None	None	Single Filers: \$95–110K Joint Filers: \$150–160K (phased out)	None
Annual Contribution Limit	None	\$100,000 plus lifetime limit. Gift \$50,000 per donor, per beneficiary in a single year ² without incurring Federal gift tax	No limits. Gift up to \$10K/year (\$20K per couple) to a child's UGMA/UTMA account without being subject to Federal gift tax treatment	\$500 per designated beneficiary under 18 Contributions to the same Ed IRA can be made by any taxpayer who meets the AGI limits	None

(continued on next page)

	U. Plan Prepaid Tuition Program	U. Fund College Investing PlanSM (529 Plan¹)	Custodial Accounts (UGMA/UTMA)	Education IRA	Taxable Account
Taxation of Earnings	State and federal tax free with some limitations ³	Earnings grow federal and state income tax deferred for Massachusetts residents Qualified distributions are taxed at the beneficiary's (typically lower) rate	At least part of the investment earnings may be exempt from federal income tax and some or all may be taxed at the child's generally lower rate in the year in which earned	Qualified distributions are federal income tax free Tax free for Massachusetts residents	Earnings are taxed in the year realized
Taxation/ Penalty upon Non-Qualified Withdrawal	U. Plan Tuition Certificates are illiquid. Participants should expect to hold to maturity	Earnings portion of non-qualified withdrawals taxed as ordinary income to the participant and is subject to a federally mandated 10% penalty Penalty-free withdrawals permitted in the event of scholarship or death/disability of the beneficiary	N/A	Earnings taxed at account owner's rate and 10% penalty tax on distributions (earnings portion) that exceed or are not used for qualified higher education expenses	N/A
Change of Beneficiary	Can transfer account to benefit a member of the designated beneficiary's family tax free and penalty free	Can transfer account to benefit a member of the designated beneficiary's family tax free and penalty free	Not permitted Contributions are irrevocable gifts to the child	Can transfer account balance to another Education IRA of family member of designated beneficiary tax free and penalty free	N/A
Effect on Financial Aid	Treated as available resource. May reduce eligibility for financial aid	Treated as an asset of the account owner (if parent, 5.6% factored into federal financial aid formula)	Treated as the child's asset (35% factored into federal financial aid formula)	Treated as the child's asset (35% factored into federal financial aid formula)	Treated as an asset of the account owner (if parent, 5.6% is factored into federal financial aid formula)

Note: As with any investment, customers should speak to their personal tax consultant regarding their specific situation, including eligibility.

¹ A qualified state tuition program under section 529 of the Internal Revenue Code.

² Must be prorated over five years to avoid Federal gift tax treatment.

³ See the Tax Matters section of the Program Description and Offering Statement for further information.

How the U.Plan Works

PREPAY TOMORROW'S TUITION AT TODAY'S RATES.

The U.Plan helps you control escalating college costs by letting you “prepay” up to 100% of your child's future tuition costs at today's tuition rates. You simply purchase Tuition Certificates now that can later be redeemed at any of the participating Massachusetts colleges and universities listed on pages 14 and 15.

The money you invest in the U.Plan is used to purchase special Tuition Certificates backed by general obligation bonds of the Commonwealth of Massachusetts. Each Tuition Certificate is guaranteed to cover a percentage of tuition and mandatory fees in the year it matures, regardless of how much tuition has increased at any participating school since the time of purchase.

It is not necessary to select a college at the time of purchase of Tuition Certificates. However, the percentage of tuition and fees that your investment will cover is determined at the time of your purchase.

For example, in the chart below, the same \$1,000 Tuition Certificate purchased today will lock in a different percentage of future tuition at each of the three example colleges, based on how the amount invested relates to each school's present tuition and fees. When the U.Plan Tuition Certificate is used at maturity, it will purchase 20% of tuition and fees at College A, 10% at College B, and 6.67% at College C.

Institution	2000 Tuition and Fees	Tuition Certificate Purchased Guaranteed	Percentage of Tuition and Fees
College A	\$5,000	\$1,000	20%
College B	\$10,000	\$1,000	10%
College C	\$15,000	\$1,000	6.67%

See pages 14 and 15 for percentages of tuition and fees purchased for several representative levels of investment at participating U.Plan colleges (based on 1999–2000 charges).

COLLEGE ADMISSION AND TUITION CERTIFICATE USE.

You do not select a college when you join the U.Plan. When your child is ready for college, he/she will go through the normal college admissions process. If your child is accepted at a participating college or university, you can redeem your Tuition Certificates at maturity and apply them toward tuition and mandatory fees. Of course, there is no preferential college admission treatment for U.Plan participants. If you don't use your Tuition Certificates for any reason, your initial investment will be returned to you at maturity with interest compounded annually at the Consumer Price Index (CPI). (Note: If you do not use the Tuition Certificates to pay for a Massachusetts school, your savings may not have kept up with the rate of college inflation.)



How to Enroll in the U.Plan

STEP 1

Read this enrollment brochure, including all contract details in the accompanying Program Description and Offering Statement, before completing the Purchase Request Form.

STEP 2

Review your family budget and decide how much you can contribute.

- The Tuition Percentage Reference Guide on pages 14 and 15 will help you estimate the percentages of tuition and fees you can “lock in” at each participating college with representative levels of contribution.
- Remember that you may choose one maturity year or up to five maturity years between 2005 and 2020. Please note that a minimum of \$300 is required for each maturity year you select.
- The Maturity Year Selection Guide on page 8 will help you determine which years your child will be enrolled in college.

STEP 3

Return your completed Purchase Request Form. Follow the instructions on the form and enclose your check made payable to the U.Plan. The U.Plan enrollment period ends on June 15th so act now to “lock in” this year’s rates!

Once we receive your Purchase Request Form and accompanying check, you will receive a confirmation of your 2000 Tuition Certificate purchase. In September, you will receive an Annual Statement confirming the percentage of Tuition and Mandatory Fees you have prepaid at each participating college. Each year thereafter, a new enrollment kit with a Purchase Request Form will be mailed to you for additional Tuition Certificates purchases. Remember that by continuing to save each year, you will be more effective in reaching your savings goals.

Maturity Year Selection Guide

REFER TO THIS INFORMATION WHEN FILLING OUT SECTION 3 OF THE ENCLOSED PURCHASE REQUEST FORM.

You must specify the maturity year(s) and amount(s) of each Tuition Certificate you intend to purchase. The purchase amount is completely up to you, subject only to the \$300 minimum purchase amount for each maturity year. The Tuition Certificate maturity year(s) should be the year(s) in which you expect the beneficiary to attend college (e.g., freshman, sophomore, junior, senior year).

You may choose to purchase one maturity year or up to five maturity years. Available maturity years for the 2000 Enrollment Period are from 2005 through 2020.

The following chart assumes normal progression through consecutive school years. Be sure to make any adjustments for your beneficiary's age and/or grade when selecting maturity years.

WHAT YEARS WILL MY CHILD BE IN COLLEGE?				
Current Grade (2000)	Freshman Year	Sophomore Year	Junior Year	Senior Year
10th Grade	Not Available	Not Available	Not Available	2005
9th Grade	Not Available	Not Available	2005	2006
8th Grade	Not Available	2005	2006	2007
7th Grade	2005	2006	2007	2008
6th Grade	2006	2007	2008	2009
5th Grade	2007	2008	2009	2010
4th Grade	2008	2009	2010	2011
3rd Grade	2009	2010	2011	2012
2nd Grade	2010	2011	2012	2013
1st Grade	2011	2012	2013	2014
Kindergarten	2012	2013	2014	2015
4 – 5 years old	2013	2014	2015	2016
3 – 4 years old	2014	2015	2016	2017
2 – 3 years old	2015	2016	2017	2018
1 – 2 years old	2016	2017	2018	2019
Less than 1 year old	2017	2018	2019	2020

Note: Please choose maturity year(s) carefully. Years listed refer to the academic year beginning with the fall semester. (i.e., 2005 refers to 2005–2006 academic year.)

Actual years of college attendance may differ from chart.



Questions & Answers

Q. Who manages the U.Plan?

A. The U.Plan is sponsored by the Commonwealth of Massachusetts and operated by the Massachusetts Educational Financing Authority (MEFA). The U.Plan uses general obligation bonds guaranteed by the Commonwealth of Massachusetts.

Q. How does the U.Plan differ from the U.Fund?

A. In 1999, Massachusetts became the first state to offer both a guaranteed prepaid tuition plan for Massachusetts schools and a "529" investment plan with the potential for market returns that can be used at any accredited school in the U.S.

The U.Plan is a prepaid tuition program that enables participants to lock in tomorrow's tuition at today's rates at more than 80 Massachusetts colleges and universities. You buy Tuition Certificates that mature when the beneficiary is ready to go to college. The beneficiary is guaranteed to receive the same percentage of tuition and mandatory fees as the original investment would have purchased in the year the Tuition Certificate was bought. Proceeds are exempt from Massachusetts state and federal income tax. Purchasers should carefully consider whether they can hold Tuition Certificates until maturity since this is an illiquid security with no access to funds prior to maturity.

The U.Fund is a market-based "529" investment plan which enables families to invest in age-tailored portfolios of mutual funds with the potential to beat college inflation, but with no investment return guarantee. Earnings on investments are not taxed until distributed for college expenses, and are then taxed at the beneficiary's rate. The proceeds can be used to pay for both undergraduate and graduate expenses at any accredited college or university nationwide for tuition, fees, and other qualified expenses, such as room and board, books, supplies, and equipment.

Q. Can I use both the U.Fund and the U.Plan?

A. Yes. Although funds cannot be transferred between programs, it is possible for families to use both programs.

Q. Do I have to be a Massachusetts resident in order to purchase the Tuition Certificates?

A. No. Both residents and non-residents of Massachusetts may purchase the Tuition Certificates.

Q. Do I have to choose a college now to begin saving?

A. No. You will not be asked to select a college or university until your child is admitted to a participating college and you wish to apply your Certificates for tuition.

Q. Is my child guaranteed admission to a participating college?

A. No. Participation in the U.Plan has no bearing on the admissions process. There is no preferential college admissions treatment for students participating in the U.Plan.

Q. Which colleges and universities participate in the U.Plan?

A. More than 80 Massachusetts colleges and universities participate in the U.Plan. For a complete list, refer to pages 14 and 15.

Q. What college costs do the U.Plan Tuition Certificates cover?

A. Tuition Certificates will cover a percentage of undergraduate tuition and mandatory fees as charged by the participating colleges and universities at the time of enrollment. Tuition Certificates will **not** cover the cost of room and board, books, supplies, or graduate education.

Q. Are there any fees payable in connection with this program?

A. For the 2000 Enrollment Period there are no processing or application fees to participate in the U.Plan.

Q. How can the Tuition Certificates be used?

A. Tuition Certificates can be redeemed at maturity for a predetermined percentage of tuition and mandatory fees at any participating college or university. See example on page 6.

Questions & Answers (cont.)

Q. Are Tuition Certificates transferable?

A. While Tuition Certificates are designated by the owner for use by a specific child, they may be transferred within the owner's family.

Q. What if tuition and fees decrease at the college of our choice? Has my Tuition Certificate decreased in value too?

A. If tuition and fees decrease between the time of purchase and the year in which your Tuition Certificates mature, you may choose to "cash out" to receive your initial investment plus annually compounded interest at the Consumer Price Index (CPI).

Q. What happens if my child enters college early or defers his/her enrollment?

A. It may be possible to use your Tuition Certificate up to two years prior to the scheduled maturity, but MEFA cannot guarantee that funds will be available to meet such early redemption requests. If your child defers enrollment, you may defer use of the Tuition Certificate proceeds for up to six years. However, the value of the tuition percentage guarantee is calculated as of the year of maturity. The student is responsible for any increase in tuition costs from the year of maturity.

Q. What happens at maturity if the Tuition Certificate is not used to pay for tuition at a participating college or university?

A. You may withdraw your money at maturity. You will receive the principal and interest at a compounded annual rate of CPI.

Q. What happens if I need access to my funds prior to maturity?

A. As described more fully in the U.Plan Program Description and Offering Statement and the U.Plan Enrollment Agreement, Tuition Certificates are a contract and an illiquid security. You should not expect to be able to redeem before maturity. It is possible that MEFA may be able to accommodate a limited number of requests for liquidation by attempting to find a new buyer for the Tuition Certificates. However, MEFA can provide no assurance that such attempts will be successful. If you think it likely that you may need to withdraw the funds you have dedicated to college savings prior to the scheduled maturity, you should consider other programs (including the U.Fund College Investing Plan) that have more flexible withdrawal provisions.

Q. How is the U.Plan considered when applying for financial aid?

A. Federal law mandates that tuition prepayment plans, such as the U.Plan, are to be treated as an available resource, applied directly towards the cost of attendance when calculating financial aid eligibility. For some families, this may lead to a dollar-for-dollar reduction in financial aid.

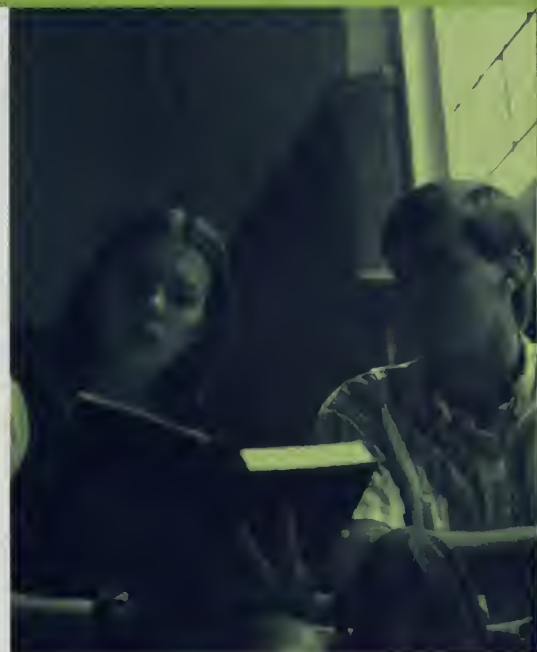
For others, based on family income or when aid awarded does not meet the full “financial need,” the impact may be less or will not apply.

Q. Will I receive confirmation of the percent of annual tuition and mandatory fees I have purchased?

A. The Owner will receive a statement after the issuance of the bonds in August detailing his/her total investment and the guaranteed percentage of tuition and mandatory fees that he/she purchased at each participating institution.

Q. What happens if new colleges and universities join in the program or participating ones withdraw from it?

A. Currently, more than 80 public and private colleges and universities in Massachusetts are participating in the program. (See pages 14 and 15 for a complete list of participating colleges and universities.) If a college joins the program at a later date, it must honor Tuition Certificates purchased since the program started in 1995. If a school drops out of the program, it must honor all the Tuition Certificates purchased prior to the year the school withdrew from the program. For example, if you purchase a Tuition Certificate in 2000 that matures in 2007 and a school withdraws in the year 2002, you may still use your Tuition Certificate at that school in 2007.



Questions & Answers (cont.)

Q. What are the guarantees associated with the Tuition Certificates?

A. Payments on the Tuition Certificates are backed by bonds secured by the full faith and credit of the Commonwealth of Massachusetts. Participating colleges and universities have also agreed to accept the Tuition Certificates at maturity as payment for a fixed percentage of tuition, regardless of the rate of increase in their tuition.

Q. What are the tax advantages of purchasing these Tuition Certificates?

A. The Tuition Certificates are exempt from Massachusetts income tax. In addition, it is the bond counsel's opinion that the interest on and benefits received from the Tuition Certificates are exempt from federal income taxes, although there is some uncertainty as to whether they are entirely tax-exempt since the program is the first to rely on CPI-indexed general obligation bonds and the IRS has not made a tax ruling on the U. Plan. State tax treatment may differ for residents of other states. Please refer to the Tax Matters section of the Program Description and Offering Statement for further details, and see your tax advisor.

Q. Are the Tuition Certificates subject to gift tax?

A. Under current law, the use of the Tuition Certificates to make payments at a participating school will not subject the Owner to federal gift tax. However, other transactions involving Tuition Certificates may have gift tax consequences. Please refer to the tax matters section of the Program Description and Offering Statement for further details.

Tuition Percentage Reference Guide

Use this guide to review the participating U.Plan colleges and universities for 2000 and to help you estimate the percentage of tuition you will purchase at various investment levels.

Participating College	1999-2000 Tuition & Mandatory Fees	Investment \$300*	Investment \$1,500*	Investment \$3,000*
American International College	\$12,900	2.33%	11.63%	23.26%
Amherst College	\$24,800	1.21%	6.05%	12.10%
Anna Maria College	\$12,950	2.32%	11.58%	23.17%
Art Institute of Boston	\$13,170	2.28%	11.39%	22.78%
Assumption College	\$17,490	1.72%	8.58%	17.15%
Babson College	\$21,072	1.42%	7.12%	14.24%
Bay Path College	\$13,010	2.31%	11.53%	23.06%
Bay State College – Medical Assisting	\$11,700	2.56%	12.82%	25.64%
Bay State College – OTA/PTA	\$12,800	2.34%	11.72%	23.44%
Bay State College – All other	\$11,250	2.67%	13.33%	26.67%
Bentley College	\$17,840	1.68%	8.41%	16.82%
Berklee College of Music – Degree Program	\$16,415	1.83%	9.14%	18.28%
Berkshire Community College	\$2,016	14.88%	74.40%	148.81%
Boston College	\$22,256	1.35%	6.74%	13.48%
Boston Conservatory, The – Degree Program	\$17,815	1.68%	8.42%	16.84%
Boston University	\$24,100	1.24%	6.22%	12.45%
Bridgewater State College	\$3,521	8.52%	42.60%	85.20%
Bristol Community College	\$1,656	18.12%	90.58%	181.16%
Bunker Hill Community College	\$1,632	18.38%	91.91%	183.82%
Cape Cod Community College	\$2,280	13.16%	65.79%	131.58%
Clark University	\$22,620	1.33%	6.63%	13.26%
College of Our Lady of the Elms	\$14,020	2.14%	10.70%	21.40%
College of the Holy Cross	\$22,910	1.31%	6.55%	13.09%
Curry College	\$17,085	1.76%	8.78%	17.56%
Dean College	\$15,490	1.94%	9.68%	19.37%
Eastern Nazarene College	\$13,260	2.26%	11.31%	22.62%
Emerson College	\$19,327	1.55%	7.76%	15.52%
Emmanuel College	\$15,785	1.90%	9.50%	19.01%
Endicott College	\$14,556	2.06%	10.31%	20.61%
Fisher College	\$13,900	2.16%	10.79%	21.58%
Fitchburg State College	\$3,018	9.94%	49.70%	99.40%
Framingham State College	\$2,890	10.38%	51.90%	103.81%
Franklin Institute of Boston	\$9,565	3.14%	15.68%	31.36%
Gordon College	\$16,420	1.83%	9.14%	18.27%
Greenfield Community College	\$1,814	16.54%	82.69%	165.38%
Hampshire College	\$25,400	1.18%	5.91%	11.81%
Hebrew College	\$10,890	2.75%	13.77%	27.55%
Hellenic College	\$8,615	3.48%	17.41%	34.82%
Holyoke Community College	\$1,680	17.86%	89.29%	178.57%
Labouré College	\$12,154	2.47%	12.34%	24.68%

Participating College	1999-2000 Tuition & Mandatory Fees	Investment \$300*	Investment \$1,500*	Investment \$3,000*
Lasell College	\$14,900	2.01%	10.07%	20.13%
Lesley College	\$16,361	1.83%	9.17%	18.34%
Marian Court College	\$9,000	3.33%	16.67%	33.33%
Massachusetts Bay Community College	\$2,010	14.93%	74.63%	149.25%
Massachusetts College of Art	\$3,773	7.95%	39.76%	79.51%
Massachusetts College of Liberal Arts	\$3,357	8.94%	44.68%	89.37%
Massachusetts Maritime Academy	\$2,923	10.26%	51.32%	102.63%
Massasoit Community College	\$1,656	18.12%	90.58%	181.16%
Merrimack College	\$15,710	1.91%	9.55%	19.10%
Middlesex Community College	\$2,310	12.99%	64.94%	129.87%
Montserrat College of Art	\$12,975	2.31%	11.56%	23.12%
Mount Holyoke College	\$24,354	1.23%	6.16%	12.32%
Mount Ida College	\$13,800	2.17%	10.87%	21.74%
Mount Wachusett Community College	\$2,580	11.63%	58.14%	116.28%
New England Conservatory of Music	\$19,750	1.52%	7.59%	15.19%
Newbury College	\$13,300	2.26%	11.28%	22.56%
Nichols College	\$14,550	2.06%	10.31%	20.62%
North Shore Community College	\$2,130	14.08%	70.42%	140.85%
Northeastern University – Freshman Year Only	\$18,867	1.59%	7.95%	15.90%
Northeastern University – All Other	\$15,688	1.91%	9.56%	19.12%
Northern Essex Community College	\$2,220	13.51%	67.57%	135.14%
Pine Manor College	\$11,440	2.62%	13.11%	26.22%
Quinsigamond Community College	\$2,079	14.43%	72.15%	144.30%
Regis College	\$16,860	1.78%	8.90%	17.79%
Roxbury Community College	\$1,656	18.12%	90.58%	181.16%
Salem State College	\$2,958	10.14%	50.71%	101.43%
School of The Museum of Fine Arts	\$17,570	1.71%	8.54%	17.07%
Simmons College	\$20,134	1.49%	7.45%	14.90%
Smith College	\$22,622	1.33%	6.63%	13.26%
Springfield College	\$16,898	1.78%	8.88%	17.75%
Springfield Technical Community College	\$1,778	16.87%	84.36%	168.73%
Stonehill College	\$16,336	1.84%	9.18%	18.36%
Suffolk University	\$14,660	2.05%	10.23%	20.46%
University of Massachusetts Amherst	\$5,212	5.76%	28.78%	57.56%
University of Massachusetts Boston	\$4,222	7.11%	35.53%	71.06%
University of Massachusetts Dartmouth	\$4,129	7.27%	36.33%	72.66%
University of Massachusetts Lowell	\$4,255	7.05%	35.25%	70.51%
Wellesley College	\$23,320	1.29%	6.43%	12.86%
Wentworth Institute of Technology	\$12,450	2.41%	12.05%	24.10%
Western New England College	\$13,104	2.29%	11.45%	22.89%
Westfield State College	\$2,914	10.30%	51.48%	102.95%
Wheaton College	\$23,150	1.30%	6.48%	12.96%
Wheelock College	\$16,740	1.79%	8.96%	17.92%
Worcester Polytechnic Institute	\$22,108	1.36%	6.78%	13.57%
Worcester State College	\$2,458	12.21%	61.03%	122.05%

Note¹: The information contained in this table is for illustration purposes only.

Note²: Public colleges represent in-state tuition rates only. Call 1-800-449-MEFA(6332) to obtain public college tuition rates for non-Massachusetts residents.

*Percent for annual tuition and fees U.Plan contributions purchased in 1999-2000. Actual percentages for Tuition Certificates purchased in 2000 will be based on tuition and mandatory fees for the 2000-2001 school year which have not yet been established by all participating schools. Once you have enrolled in the U.Plan and received an allocation of U.Plan Tuition Certificates, your actual tuition percentages will be confirmed in August 2000. Some schools may charge different tuition rates and/or mandatory fees for specialized programs, majors, or fields of study.

The U PLAN
Prepaid Tuition Program

Program Description and Offering Statement

May 1, 2000



1870-1871

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE

FOR THE YEAR 1870-1871

1871



PROGRAM DESCRIPTION AND OFFERING STATEMENT RELATING TO THE U.PLAN: THE MASSACHUSETTS TUITION PREPAYMENT PROGRAM

This Program Description and Offering Statement (the "Offering Statement") describes The U.Plan: The Massachusetts Tuition Prepayment Program (the "U.Plan" or the "Program") administered by the Massachusetts Educational Financing Authority ("MEFA"), and is provided in connection with the offering, as part of the U.Plan, of beneficial ownership interests (called Tuition Certificates) in The Commonwealth of Massachusetts General Obligation Bonds, Consolidated Loan of 2000, College Opportunity Bonds Series A (the "Bonds"). Purchase, ownership, transfer and use of Tuition Certificates are subject in all respects to the terms and conditions set forth in the Enrollment Agreement attached as Appendix A to this Offering Statement. In this Offering Statement, "you" refers to the person who deposits money with MEFA for the purchase of a Tuition Certificate (the "Purchaser") and who will own the Tuition Certificate upon its issuance (the "Owner.") The capitalized terms not otherwise defined in this Offering Statement have the meanings set forth in the Definitions Section of the Enrollment Agreement attached as Appendix A to this Offering Statement.

The Bonds and Tuition Certificates have been specially structured to accommodate the objectives of the U.Plan, and have certain features that are substantially different from those of ordinary bonds issued by The Commonwealth of Massachusetts (the "Commonwealth"). You should read this Offering Statement in its entirety, including the information about tax matters relating to the Bonds and the Program and restrictions on transferability of Tuition Certificates, which substantially limit your ability to access moneys in the Program prior to the maturity of your Tuition Certificates, before you submit a Purchase Request Form or deposit any money to purchase a Tuition Certificate. In order to evaluate the creditworthiness of the Bonds, you should review certain financial, budgetary and economic information relating to the Commonwealth set forth in the most recent Commonwealth Information Statement. This Commonwealth Information Statement is not attached to this Offering Statement, but may be obtained by calling (800) 449-MEFA. During the Enrollment Period, you also may review such Information Statement at the offices of MEFA before you submit a Purchase Request Form or deposit any money to purchase a Tuition Certificate. See also "SECURITY FOR THE BONDS AND TUITION CERTIFICATES."

MEFA expects that the Program will be substantially similar in future years; however, the features of the Program and Tuition Certificates described in this Offering Statement apply only to Tuition Certificates issued in 2000; please note that no representation or guarantee can be made that the features of the Program and the Tuition Certificates in future years will be similar in all respects to those described in this Offering Statement.

GENERAL PROGRAM DESCRIPTION

The U.Plan is a prepaid tuition program that permits you to save for a beneficiary's undergraduate tuition and Mandatory Fees at participating Massachusetts colleges and universities ("Participating Institutions") in a manner designed to preserve the purchasing power of your savings. If you participate in the U.Plan through the purchase of one or more Tuition Certificates, you, the Owner, will receive a beneficial ownership interest in certain general obligation bonds issued by the Commonwealth that will bear interest at a rate linked to changes in the consumer price index ("CPI") as described under "THE BONDS AND THE TUITION CERTIFICATES." The tuition rights you will have, as an Owner of Tuition Certificates, at Participating Institutions in future years, as described below, are determined by the terms of Participation Agreements entered into by MEFA with each Participating Institution.

You must designate a beneficiary who is related to the Owner as described in the Enrollment Agreement (a "Qualifying Beneficiary"). Each Tuition Certificate will be issued with a schedule (the "Tuition Schedule") of percentages of a full academic year's educational services (that is, the services generally covered by tuition and Mandatory Fees) that can be obtained at each Participating Institution by the Qualifying Beneficiary in the academic year that begins in the year the Tuition Certificate matures, in exchange for the amount payable on the Tuition Certificate at maturity. The percentage recorded on the Tuition Schedule is the percentage of tuition and Mandatory Fees ("Tuition") at the Participating Institution that you could pay for with the original amount invested in the Tuition Certificate (the "Investment Amount") in the academic year that begins in the year you buy the Tuition Certificate. Because Tuition at Participating Institutions for the 2000-2001

academic year will not be established until May or June of 2000, the actual percentages for each Participating Institution for the Tuition Schedule relating to Tuition Certificates issued in 2000 will not be determined until after you have irrevocably agreed to purchase, and deposited money to pay for, the Tuition Certificate. You must decide whether and how much to invest before the exact percentage you may obtain at each Participating Institution is known. You will receive annual statements from the Program Recordkeeper on or about each September 1 listing the Tuition Certificates purchased in your name and the percentages recorded on the applicable Tuition Schedule.

The Enrollment Agreement sets forth the requirements for applying your Tuition Certificate for a Qualifying Beneficiary's tuition in the academic year that begins in the year the Tuition Certificate matures. Alternatively, subject to the provisions of the Enrollment Agreement, it may be possible to use your Tuition Certificate for a Qualifying Beneficiary (a) in either of the two academic years that begin prior to the year the Tuition Certificate matures (but subject to the availability of Program funds) or (b) in any of the academic years that begin within six years after the year in which the Tuition Certificate matures. See Section 3.02 and Section 3.03 of the Enrollment Agreement. Under the Participation Agreements, a Participating Institution is entitled to receive the Tuition Certificate Proceeds for the entire academic year on the first tuition payment date for such academic year. If less than the entire amount of tuition which can be paid with your Tuition Certificate is needed by such beneficiary at that Participating Institution, you can, among other options, designate one additional Qualifying Beneficiary (a "Qualifying Beneficiary Relative" as defined in Appendix A) and use the remaining portion of your Tuition Certificate in the same year to pay for tuition for such second Qualifying Beneficiary at the same or another Participating Institution. A fee in an amount sufficient to cover the additional administrative costs associated with the designation of a second Qualifying Beneficiary may be charged by MEFA. See "FEES."

The amount payable on a Tuition Certificate on its maturity date will be the Investment Amount plus interest accrued from the date the Tuition Certificate was issued until the maturity date at a variable rate equal to the annual increase in CPI plus up to two per cent (2%), compounded annually. The Participating Institution is entitled to receive the full amount payable on the Tuition Certificate in exchange for its agreement to provide a guaranteed percentage of educational services in the academic year that begins in the year of maturity. CPI is the Consumer Price Index - All Urban Consumers, All Items, as published by the United States Department of Labor, Bureau of Labor Statistics (or, if such index is eliminated, any successor to such index) in the month before the Bonds are issued and each subsequent July before the Bonds are paid. The published CPI generally is based on data for the month before the month of publication.

If you do not apply your Tuition Certificate to pay tuition for a Qualifying Beneficiary at a Participating Institution as provided in the Enrollment Agreement ("Program Uses"), the cash amount you, the Owner, will receive on the portion of the Investment Amount of your Tuition Certificate not applied to Program Uses will be equal to such portion plus interest accrued at CPI (sometimes referred to as "CPI flat"), compounded annually on each August 1 until the maturity date of your Tuition Certificate. Certain interest that accrues on the Bonds is assigned by the Owner to MEFA. See "THE BONDS AND TUITION CERTIFICATES."

When a Tuition Certificate matures or is tendered early an amount equal to the Investment Amount plus compounded interest at a rate equal to CPI plus up to 2% until the maturity date or early tender date will be deposited to a special account (the "Owner Account") established at the Program Account Institution. At MEFA's election, the Owner Account may be established as a book entry in your name within an account established by MEFA to hold such proceeds of Tuition Certificates, or in a segregated account maintained directly in your name. You, the Owner, must notify MEFA of your intent to apply or withdraw money from such account, and such payment or withdrawal will be made after MEFA has confirmed that the amount to be paid or withdrawn has been properly calculated. You must maintain the payment you receive on your Tuition Certificate in the Owner Account until such money is transferred directly to a Participating Institution to pay tuition for your Qualifying Beneficiary in a permitted year or until you decide to withdraw such money. You must apply the entire amount deposited in your Owner Account from a particular Tuition Certificate to Program Uses and/or withdraw moneys in your Owner Account from such Tuition Certificate at the same time and no later

than the beginning of the sixth academic year following the academic year that begins in the maturity year. Once withdrawn from the Owner Account, moneys you received on a Tuition Certificate will not entitle a Qualifying Beneficiary to Program advantages at any Participating Institution. Amounts in an Owner Account will be invested in bank deposits, notes or bonds issued or guaranteed by the United States, investments fully collateralized by such securities, taxable or tax-exempt money market funds, or the Massachusetts Municipal Depository Trust, maturing or available no later than the date such money is expected to be applied under this Enrollment Agreement. You will earn interest (which may be taxable) at a short-term interest rate based on the earnings realized through such investment on amounts on deposit in your Owner Account and pay an annual fee on such account until such amounts are applied for Program Uses or withdrawn from the account.

If a Qualifying Beneficiary becomes entitled to a refund of all or any portion of Tuition paid for with a Tuition Certificate, the Participating Institution will refund such portion to or as instructed by MEFA. The use of such amount is subject to the provisions of the Enrollment Agreement.

Tuition Certificates are offered when, as and if the Bonds are issued by the Commonwealth. Bonds and Tuition Certificates offered in 2000 are expected to be issued on or about August 1, 2000.

Tuition Certificates are designed as long-term investments for the purpose of financing college education at Participating Institutions, and you should not purchase Tuition Certificates if you anticipate a need to transfer or liquidate the investment before the Tuition Certificate's Maturity Date. The ability to transfer ownership of or sell your Tuition Certificate prior to maturity, and accordingly the ability to obtain cash for your Tuition Certificate prior to maturity, is significantly limited by the terms of the Enrollment Agreement as compared to other Commonwealth bonds. See "THE BONDS AND THE TUITION CERTIFICATES – Transfer or Sale of the Tuition Certificates" in this Offering Statement.

The legal opinions concerning the tax consequences of ownership and use of Tuition Certificates to be delivered in connection with the issuance of the Bonds and the Tuition Certificates are described under the heading "TAX MATTERS" in this Offering Statement. Because of the unique features of the Program, such opinions differ from the opinions ordinarily given in connection with Commonwealth bonds, and reflect a lesser degree of certainty about the tax treatment of the Bonds and the Tuition Certificates. Owners of Tuition Certificates who reside in states other than Massachusetts should consult their tax advisors as to the state income tax consequences of ownership of Tuition Certificates. In states other than Massachusetts, state income tax may be due on the accruing interest of CPI plus up to 2% and on the 0.5% semi-annual current interest described herein.

A variety of savings and investment products are available to parents and other persons who wish to provide for the future payment of tuition and other higher education costs for their children or other beneficiaries. There are substantial differences in the structure, benefits, risks and liquidity provided by each such program, and the appropriateness of any such program, and the relative benefits of participating in any particular program, may depend on the particular program, the particular individual, the particular timeframe and other factors. No assurance can be provided that the performance of the U.Plan and the Tuition Certificates in general or for any particular Owner or Qualifying Beneficiary will compare favorably with existing alternative savings and investment products or ones that may be developed in the future. In March, 1999, MEFA launched an alternative tuition savings program, called the "U. Fund," which has significantly different features from the U.Plan, and other programs may be developed from time to time by MEFA and other entities. You should carefully evaluate whether the features of the U.Plan meet your objectives relative to other potential investments before investing in the U.Plan's Tuition Certificates. See "CERTAIN INVESTMENT CONSIDERATIONS."

You may apply to purchase 2000 Tuition Certificates only by submitting a Purchase Request Form, together with a check equal to the aggregate Investment Amount of the Tuition Certificates requested, to MEFA on or before June 15, 2000. For information regarding refunds if the demand for Tuition Certificates exceeds the available supply, or if because of changes in tax laws or other reasons Bonds and Tuition Certificates are not issued, see "ALLOCATION OF TUITION CERTIFICATES; DEPOSIT REFUNDS."

Under certain circumstances, applicants for Tuition Certificates in 2000 may receive tuition certificates representing beneficial ownership interests in Commonwealth

general obligation bonds issued in prior years in connection with the Program. The percentages of Tuition set forth on the Tuition Schedule for any such tuition certificate will be based on the 2000–2001 academic year. Tuition that could be purchased at each Participating Institution with the applicant's Investment Amount, and such tuition certificates will function in all other respects in the same manner as the Tuition Certificates described in this Offering Statement.

THE BONDS AND THE TUITION CERTIFICATES

The Bonds and Tuition Certificates will bear interest as described below from their Issue Date, which is expected to be on or about August 1, 2000. The interest payments received by an Owner of a Tuition Certificate with respect to any portion of the initial Investment Amount not applied to Program Uses, will, after deduction of Assigned Payments, be less than the stated interest rate payable on the applicable Bond and Tuition Certificate, as described under "Cash Payments Received by Owners of Tuition Certificates." The Bonds will mature on August 1 in the years from 2005 through 2020 and in the aggregate initial principal amounts determined prior to the issuance thereof by the Commonwealth, after consultation with MEFA, based on considerations including the aggregate demand for Tuition Certificates of each maturity and applicable legal and financial constraints on the aggregate initial principal amount of Bonds and on the initial principal amount of Bonds of each maturity. It is expected that bonds and Tuition Certificates offered in 2001 will be issued on or about August 1, 2001 and will mature on August 1, 2006 through August 1, 2021 and that, in subsequent years, the bonds and Tuition Certificates offered generally would mature five to twenty years after the year of issuance. The Bonds will be held on behalf of MEFA by the Program Custodian, which will maintain a record of the book-entry system beneficial ownership interests represented by Tuition Certificates; you will not receive physical certificates.

Stated Interest Rates

Interest on the Bonds and Tuition Certificates is payable as follows:

(i) Each Bond, and each Tuition Certificate representing a fractional beneficial ownership interest in such Bond, will bear interest, payable at maturity, on its respective Accreted Amount at an annual interest rate equal to the Standard Accrual Rate. The Standard Accrual Rate will be equal to the percentage change in CPI since the preceding August 1 (or, in the case of the August 1 immediately following the Issue Date, the annualized percentage change in CPI since the Issue Date), plus the maximum number of basis points (not exceeding 200) that can be added to such percentage change in CPI consistent with the tax-exempt treatment of the Standard Accrual Rate, as determined prior to the issuance of the Bonds by bond counsel for the Commonwealth based on certain certifications. The Standard Accrual Rate is expected to be CPI plus 2%, but the precise rate will not be determined until such certifications are received. The precise level of the Standard Accrual Rate will not affect the benefits received by the Owner of the Tuition Certificate or by the Qualifying Beneficiary.

(ii) Under certain circumstances, the Standard Accrual Rate may be lower than CPI plus 2%, but at least equal to CPI flat. If this occurs, the amount deposited to the Owner Account upon maturity of a Tuition Certificate will be the Investment Amount plus interest at the Standard Accrual Rate, and the Owner will receive an additional Contingent Coupon representing the difference between interest at the Standard Accrual Rate and interest at CPI plus 2%, which additional amount will be payable only if a Qualifying Beneficiary of the Tuition Certificate attends a Participating Institution in a Qualifying Year or Post Maturity Year.

(iii) Each Bond, and each Tuition Certificate representing a fractional beneficial ownership interest in such Bond, will bear interest on the initial principal amount or Investment Amount thereof, as applicable, payable semi-annually on each August 1 and February 1, beginning February 1, 2001, at an annual rate of 50 basis points (0.5%) (the "Current Coupon"). Pursuant to the Enrollment Agreement, the Current Coupon payable on a Tuition Certificate is irrevocably assigned by the Owner to MEFA and will not in any circumstances be available to the Owner.

Cash Payments Received by Owners of Tuition Certificates

The amount payable at maturity on a Tuition Certificate, equal to the Accreted Amount of the Tuition Certificate at the Standard Accrual Rate, will be deposited on the Maturity Date to the applicable Owner Account, unless it is transferred directly to a Participating Institution as directed by the Owner pursuant to the Enrollment Agreement. With respect to any portion of the initial Investment Amount of a Tuition Certificate not applied to Program Uses, the Owner will receive, after deduction of the Stabilization Fee assigned by the Owner to MEFA and upon compliance with the provisions of the Enrollment Agreement for the withdrawal thereof from the Owner Account, a portion of the interest paid on the Tuition Certificate equal to interest from the Issue Date until the Maturity Date at CPI flat. The amount available for withdrawal will not include the Current Coupon

or any portion of the up to 2% in interest over CPI flat payable at maturity. See "CERTAIN INVESTMENT CONSIDERATIONS."

Transfer or Sale of the Tuition Certificates

Tuition Certificates are designed as long-term investments for purposes of financing college education at Participating Institutions and should not be purchased on behalf of Owners who anticipate a need to transfer or liquidate the investment prior to the Tuition Certificate's Maturity Date. The Tuition Certificates are not transferable except as provided in the Enrollment Agreement and as summarized herein.

A limited amount of money may be available to MEFA in each year to purchase prior to maturity Tuition Certificates of Owners who establish financial hardship requiring early access to invested funds. An Early Withdrawal Fee may be payable in connection with any such sale prior to maturity. In addition, Owners who desire to sell their Tuition Certificates prior to maturity but who do not establish financial hardship may be able to sell their Tuition Certificates directly or transfer such Tuition Certificates through the Program. See Section 4.03 of the Enrollment Agreement attached as Appendix A to the Offering Statement. **There can be no assurance, however, that the Owner of a Tuition Certificate will be able to sell the Tuition Certificate prior to maturity (whether or not such Owner establishes financial hardship), and, in the event of any such sale, such an Owner may realize a loss. Furthermore, in the event that the Owners of a substantial amount of Tuition Certificates seek to sell their Tuition Certificates in any particular year through the Program, the likelihood that the Program will be able to accommodate the request of any particular Owner will be decreased.**

TAX MATTERS

Income Tax Consequences

The Program is unique in its structure and therefore there is a lesser degree of certainty about its federal income tax consequences than is ordinarily the case for investments in Commonwealth bonds. However, subject to the qualifications discussed below, it is expected that income earned on a Tuition Certificate by the Owner of the Tuition Certificate will be excluded from gross income for purposes of federal personal income taxes, and will not be an item of tax preference for purposes of federal income taxes. It also is expected that the application of the principal of and interest on a Tuition Certificate (and, if applicable, payments received on a Contingent Coupon) to pay for educational services at a Participating Institution will not generate taxable income to the Owner or Qualifying Beneficiary, even if the value of the educational services received exceeds the amount paid in exchange for such services. Owners who transfer their ownership interest in Tuition Certificates prior to the Maturity Date thereof may be subject to income taxes on any capital gain realized as a result of such transfer.

The income tax consequences described above reflect the opinions expected to be delivered in connection with the issuance of the Bonds and the Tuition Certificates by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, which will serve as bond counsel in connection with the issuance of the Bonds and as special counsel in connection with the issuance of the Tuition Certificates. Delivery of such opinions is a condition to the issuance of the Bonds and the Tuition Certificates.

The Internal Revenue Service declined to provide a ruling on the federal income tax treatment of a prior version of the Program, and, because of such experience, no ruling has been requested or obtained from the Internal Revenue Service on the tax treatment of the Bonds, the Tuition Certificates and various other aspects of the Program. The opinions of counsel to be delivered in connection with the issuance of the Bonds and the Tuition Certificates will represent counsel's judgment that if the Internal Revenue Service were to challenge an Owner's position that no income tax is due and the matters were to be determined in judicial proceedings, under the law in effect on the date such opinions are delivered, it is more likely than not that these issues would be resolved as stated in the opinions. The delivery of such opinions does not constitute a guarantee as to the outcome if the Internal Revenue Service were to challenge an Owner's position, and such opinions reflect a lesser degree of certainty than is typical in connection with tax-exemption opinions delivered upon issuance of Commonwealth bonds. If the Internal Revenue Service were to challenge an Owner's position and prevail, the Owner could be subject to annual income taxes on (i) a portion of the accruing stated interest on the Tuition Certificates, (ii) a portion of the current interest assigned to MEFA and/or (iii) the difference between then-prevailing tuition costs at the Participating Institution attended by the Qualified Beneficiary and the dollar amount actually paid by the Owner or Qualified Beneficiary for the educational services purchased with the Tuition Certificate, in each case notwithstanding the lack of cash income on the Tuition Certificates to such Owner.

The opinion to the effect that payments made by the Commonwealth on the Bonds and Tuition Certificates are excluded from gross income for federal income tax purposes will be based principally on the treatment of such payments as interest on a Commonwealth bond. Because the payment structure of such Bonds is unique to the Program, such opinion will be subject to the qualifications and lesser degree of certainty discussed in the preceding paragraph, which are not present in bond counsel opinions typically rendered in connection with the issuance of Commonwealth bonds and other tax-exempt municipal bonds. In certain instances, a portion of the Commonwealth's payment on the Bonds and on the Tuition Certificates may be in the form of a Contingent Coupon, as described under "THE BONDS AND THE TUITION CERTIFICATES." With respect to any payment made by the Commonwealth on a Contingent Coupon, the opinion as to exclusion from gross income of the Owner will be based in part on the treatment of such payment as a tax-exempt qualified scholarship under current law. If current law with respect to the tax treatment of qualified scholarships were to change subsequent to the issuance of the Bonds and Tuition Certificates and prior to the use of the Contingent Coupon at a Participating Institution, it is possible that the payment made by the Commonwealth on a Contingent Coupon would constitute taxable income in whole or in part.

As is the case with other bonds issued by the Commonwealth, the opinion as to tax treatment will be expressly conditioned upon compliance by the Commonwealth with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), which requirements must be satisfied after the date of issuance of the Bonds in order to assure that the interest on the Bonds and Tuition Certificates is and continues to be excludable from the gross income of the Owner. Failure to comply could cause the interest on the Bonds and Tuition Certificates to be included in the gross income of the Owner, retroactive to the date of issuance of the Bonds. In particular, and without limitation, those requirements include restrictions on the use, expenditure and investment by the Commonwealth of bond proceeds and the payment by the Commonwealth of rebate, or penalties in lieu of rebate, to the United States, subject to certain exceptions. The Commonwealth will provide covenants and certificates as to its continued compliance with such requirements.

Bond Counsel is of the opinion that interest or other income earned with respect to the Bonds and Tuition Certificates is exempt from Massachusetts personal income taxes, and that the Bonds and Tuition Certificates are exempt from Massachusetts personal property taxes. Bond counsel has not opined as to other Massachusetts tax consequences arising with respect to the Bonds. Prospective owners of Tuition Certificates should be aware, however, that the Bonds and Tuition Certificates and the interest or other income thereon are included in the measure of Massachusetts corporate excise and franchise taxes, and the Bonds and Tuition Certificates may be included in the measure of Massachusetts estate and inheritance taxes. **Owners of Tuition Certificates who reside in states other than Massachusetts should consult their tax advisors as to the state income tax consequences of ownership of Tuition Certificates. In states other than Massachusetts, state income tax may be due on the accruing interest of CPI plus up to 2% and on the 0.5% semi-annual current interest.**

For federal and Massachusetts tax purposes, interest on a Tuition Certificate includes original issue discount allocable to the Owner of such Tuition Certificate. Original issue discount with respect to a Tuition Certificate is equal to the difference between the Accreted Amount of a Tuition Certificate at the Standard Accrual Rate at maturity and the initial offering price of the Tuition Certificate to the public. Original issue discount accrues over the term of a Tuition Certificate, and therefore an Owner who acquires a Tuition Certificate when it is initially issued will have a basis approximately equal to the Accreted Amount of the Tuition Certificate at the Standard Accrual Rate as of the date of sale or other disposition of such Tuition Certificate for purposes of determining gain or loss on sale or other disposition. Owners should consult their tax advisors with respect to the computation of original issue discount on such accruals of interest during the period in which any Tuition Certificate is held.

Bond Counsel will not opine as to other federal tax consequences of owning the Tuition Certificates. However, prospective Owners of Tuition Certificates should be aware that section 86 of the Code requires recipients of certain Social Security and Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on the Tuition Certificate. In addition, if a Tuition Certificate is transferred to a corporation, interest on the Tuition Certificates will be included in "adjusted current earnings" of any corporate holder of the Tuition Certificate and therefore will be taken into account under section 56(g) of the Code in the computation of the alternative minimum tax applicable to certain corporations. Any future corporate holders also should be aware that interest on a Tuition Certificate may be taken into account under section 832(b)(5)(B)(i), section 884

and section 1375 of the Code. The amount of interest taken into account for such purposes would be greater than the cash payment received by the Owner after deduction of Assigned Payments. See "THE BONDS AND THE TUITION CERTIFICATES — Interest on the Bonds and Tuition Certificates."

The opinions described above relate only to income in connection with a Tuition Certificate. Any interest income received by a Purchaser on any portion of a Deposit refunded to a Purchaser will be subject to federal and state income taxes. Although MEFA in its discretion may invest amounts on deposit in the Owner Account in tax-exempt instruments, it may also invest such amounts in taxable instruments; interest income received by an Owner on amounts deposited to the Owner Account on the Maturity Date or Early Tender Date until the date such amounts are applied or withdrawn by the Owner may be subject to federal and state income taxes.

Gift Tax Consequences

The gift tax treatment of the Tuition Certificates will depend on whether the U. Plan is deemed a "qualified state tuition program" under Section 529 of the Code. In general, Section 529 of the Code permits income tax deferral on investment earnings with respect to a qualifying state prepaid tuition program or state tuition savings plan until such investment earnings are distributed to the contributor or the contributor's beneficiary. The income tax consequences of participation in the U. Plan (as described under "Income Tax Consequences" above) are not based on its qualification under Section 529, and, in the opinion of the Authority's special counsel, although the matter is not free from doubt, it is more likely than not that Section 529's gift tax provisions are inapplicable to the U. Plan. If the U. Plan is not treated as a "qualified state tuition program" under Section 529, it is expected that, under current law, neither the designation by the Owner of a Qualifying Beneficiary nor the use of Tuition Certificates to make payments to a Participating Institution with respect to a Qualifying Beneficiary's tuition will subject the Owner to the federal gift tax.

Although the Authority does not believe that the Section 529 gift tax provisions are applicable to the U. Plan, because no definitive determination of the applicability of Section 529 to the U. Plan has been obtained, Owners should be aware that, pursuant to amendments to Section 529 that became effective in 1997, any contribution to a Section 529 "qualified state tuition program" on behalf of any designated beneficiary is treated as a completed gift to such beneficiary as of the date of such contribution, and does not qualify for gift tax exclusion under Section 2503(e) of the Code, which excludes from gift tax amounts paid on behalf of an individual to an educational institution for the education or training of such individual.

Irrespective of whether the U. Plan is treated as a "qualified state tuition program" under Section 529, if an Owner makes a gift of the Tuition Certificate to another Owner, under current law such a gift will be subject to the federal transfer tax generally applicable to gifts. In general, gifts of a present interest in property of value up to \$10,000 (subject to future adjustment for inflation) in a calendar year by a donor (\$20,000, subject to future adjustment for inflation, by a married couple) to any person are excludable from the federal gift tax. Gifts between spouses are also excluded. Gifts not excludable are applied against the donor's lifetime exemption of \$600,000 (which amount is scheduled to increase in increments to \$1,000,000 in 2006 and thereafter), and gifts in excess of such exemption are generally subject to tax at graduated rates from 37 percent to 55 percent.

Owners should consult their tax advisors with respect to the gift tax consequences of gifts of Tuition Certificates and/or the designation of a Qualifying Beneficiary or transfer of proceeds of a Tuition Certificate.

ALLOCATION OF TUITION CERTIFICATES; DEPOSIT REFUNDS

MEFA will make every effort to ensure that every applicant for a Tuition Certificate receives a Tuition Certificate with the requested maturity date, but cannot assure that a Tuition Certificate will be available for the full amount deposited by each applicant. The amount of Bonds of each maturity to be issued by the Commonwealth in 2000 and in subsequent years is and will be limited. If demand for Bonds of a specified maturity exceeds the available supply, Tuition Certificates will be allocated to applicants and the initial Investment Amount of each Tuition Certificate determined in accordance with allocation procedures established for the Program, which allocation procedures may be changed by MEFA from time to time. In addition, MEFA reserves the right to reduce the proposed Investment Amount upon a determination that such amount exceeds the amount necessary to provide for the qualified higher education expenses of the designated Qualifying Beneficiary. Applicants may cancel their commitment to purchase a Tuition Certificate by delivering written notice to MEFA no later than July 1, 2000, in which case the applicable Deposit will be refunded to such applicant, without interest.

Each applicant will be notified on or about September 1, 2000, or as soon thereafter as is practicable, as to the Investment Amount and maturity date of each Tuition Certificate allocated to such applicant. Deposits received by MEFA will be held in trust in a segregated account. Deposits will not be invested by MEFA other than in notes or bonds issued or guaranteed by the United States, investments fully collateralized by such securities, money market funds, or the Massachusetts Municipal Depository Trust, maturing no later than the date such moneys are needed. If an applicant's Deposits exceed the aggregate Investment Amount of Tuition Certificates allocated to an applicant, the excess will be refunded to such applicant. The applicant will receive interest at the Refund Rate on the refunded amount for the period from the date on which the Deposit is received by MEFA until the date of the refund. The Refund Rate will equal the weighted average rate of return earned by MEFA on the Deposits during the period preceding the refund date, and will be a short-term taxable rate.

As soon as practicable after the end of the enrollment period, the Commonwealth will execute a purchase contract with MEFA under which the Commonwealth will agree to issue the Bonds on or about August 1, 2000. Issuance of the Bonds will be contingent on the fulfillment of various conditions set forth in such purchase contract, including the delivery on the date of issuance of legal opinions as to the validity of the Bonds and the expected tax-exempt nature of the interest thereon. See "TAX MATTERS" herein. It is possible that events might preclude the Commonwealth from issuing the Bonds on a timely basis. In such event, no Bonds or Tuition Certificates would be issued in such year, and an amount at least equal to the Deposit would be refunded. Except as described in the preceding paragraph, no interest will be payable to the Purchaser or Owner for the period prior to the anticipated issuance date of the Bonds.

FEES

Although in prior years Purchasers of tuition certificates in the Program have been required to pay certain application and processing fees, MEFA has waived such fees with respect to purchases of Tuition Certificates to be issued in 2000.

The Enrollment Agreement provides that MEFA may charge the following fees: (i) a Family Transfer Fee in connection with any transfer of a Tuition Certificate pursuant to Section 4.05 of the Enrollment Agreement; (ii) a Transfer Fee in connection with any other transfer of ownership of a Tuition Certificate; (iii) a Change of Beneficiary Fee in connection with a change in the name of the Qualifying Beneficiary of a Tuition Certificate; (iv) an Early Withdrawal Fee in connection with a sale of a Tuition Certificate to the Authority prior to maturity; (v) an Additional Beneficiary Fee in connection with the Owner's designation of a Secondary Qualifying Beneficiary of a Tuition Certificate; and (vi) a Post Maturity Fee payable for each year after the Maturity Year in which Tuition Certificate proceeds remain on deposit in an Owner Account. Although MEFA currently is not assessing such fees in connection with the Program, it reserves the right to do so at a future date. If imposed, such fees are expected to be of modest amount and would be designed to reimburse MEFA for the costs of processing the transaction in question.

SECURITY FOR THE BONDS AND TUITION CERTIFICATES

The Bonds will be general obligations of the Commonwealth to which its full faith and credit will be pledged for the payment of principal and interest when due. The Bonds do not represent obligations of MEFA, the Participating Institutions or any party other than the Commonwealth. None of MEFA, any Participating Institution or any party other than the Commonwealth is responsible for the timely payment by the Commonwealth of amounts due on the Bonds. Participating Institutions are not obligated to provide the Program benefits described herein and in the Enrollment Agreement if timely payment on the Bonds is not made by the Commonwealth or if for any other reason proceeds of Tuition Certificates are not delivered to the Participating Institutions as required under the Participation Agreements. The Commonwealth has no responsibility under the Program other than to pay the principal of and interest on the Bonds to the Program Custodian when due in accordance with the terms of the Bonds. As described below, the Program Custodian is responsible for the transfer to or for the benefit of the Owners of Tuition Certificates of payments made by the Commonwealth on the Bonds.

The Commonwealth will undertake in the Bonds to file with certain information repositories its annual reports and notices of certain events relating to the Commonwealth's financial condition. A description of this undertaking is set forth in Appendix D to the most recent Commonwealth Information Statement, which is incorporated herein by reference. A copy of such Information Statement may be obtained by calling 1-800-449-MEFA.

The Tuition Certificates represent fractional beneficial ownership interests in Bonds of a specified maturity. The Program Custodian selected by MEFA will hold the

Bonds and maintain a register of the Owners of the Tuition Certificates, in reliance on information provided by the Program Recordkeeper. The Program Custodian will receive payments made by the Commonwealth on the Bonds and will be responsible for transferring payments to the Owners of Tuition Certificates by transferring such payments to the applicable Owner Account. The Commonwealth will not have any responsibility or obligation to the Owners, Qualifying Beneficiaries or Participating Institutions with respect to the accuracy of any records maintained by the Program Custodian or the Program Recordkeeper, the payment by the Program Custodian of, or the providing of notice to, the Owners, Qualifying Beneficiaries or Participating Institutions, or with respect to any other action taken by the Program Custodian, Program Recordkeeper or MEFA, or assuming payment on the Bonds when due, for delivery of the proceeds of Tuition Certificates to the Participating Institutions as required by the Participation Agreements. The Participating Institutions will not have any responsibility or obligation to the Owners or Qualifying Beneficiaries with respect to the accuracy of any records maintained by the Program Custodian or the Program Recordkeeper, the payment by the Program Custodian of, or the providing of notice to, the Owners or Qualifying Beneficiaries, or with respect to any other action taken by the Program Custodian, Program Recordkeeper or MEFA, or for delivery of the proceeds of Tuition Certificates to the Participating Institutions as required by the Participation Agreements. The Tuition Certificates are payable solely from payments on the Bonds received by the Program Custodian. Any obligations undertaken by MEFA under the Enrollment Agreement are limited obligations of MEFA payable only from revenues generated by the Program and available to MEFA.

No rating has been applied for on the Bonds and no application for a rating is currently contemplated.

THE PROGRAM RECORDKEEPER

MEFA has served as Program Recordkeeper for the U.Plan since February, 1999. During the term of the Tuition Certificates, MEFA from time to time may transfer all or certain aspects of the recordkeeping function to one or more third-party contractors, and may resume direct maintenance of such recordkeeping functions upon termination of such contracts. The Program Recordkeeper's functions include the transfer of records contained in Purchase Request Forms; the maintenance of records regarding Owners and Qualifying Beneficiaries during the term of the contract, the calculation of Educational Services Percentages for each Tuition Schedule; the calculation of Tuition Certificate allocations; the calculation of refunds due to applicants for over-subscribed maturities of the Bonds; the generation of annual statements to Owners as to the amount of Tuition Certificates held by the applicable Owner; the generation of annual statements as to the Educational Services Percentages available for beneficiaries at Participating Institutions; and the response to inquiries by Owners and MEFA.

CERTAIN INVESTMENT CONSIDERATIONS

Alternative Savings and Investment Products

By purchasing Tuition Certificates and participating in the U.Plan, Owners can ensure, if the Tuition Certificates are applied to Program Uses, that the amount invested in a Tuition Certificate will maintain its purchasing power relative to the cost of Educational Services at Participating Institutions. However, a variety of other savings and investment products are available to parents and other persons who wish to provide for the future payment of tuition and other higher education costs for their children or other beneficiaries. There are substantial differences in the structure, benefits, risks and liquidity provided by each such program, and the appropriateness of any such program, and the relative benefits of participating in any particular program, may depend on the program, the individual, the timeframe and other factors. No assurance can be provided that the performance of the U.Plan and the Tuition Certificates in general or for any specific Owner or Qualifying Beneficiary will compare favorably with existing alternative savings and investment products or ones that may be developed in the future.

In particular, the provisions of Section 529 of the Internal Revenue Code of 1986, as amended, permit the establishment of state-sponsored prepaid tuition plans and state-sponsored savings plans for higher education expenses ("qualified state tuition programs") that are eligible for tax-favored treatment, specifically the deferral of federal income taxes until distributions are made from such programs to the contributor or designated beneficiary. Several states, including Massachusetts, have developed or are in the process of developing programs that are designed to qualify for such tax-advantaged status. Certain Section 529 savings programs, including the U. Fund program launched by MEFA in March, 1999, are invested in investments that are less secure than the Commonwealth general obligation bonds that back the Tuition Certificates, and which may provide a more volatile, but potentially higher,

investment return over certain time periods than an investment in Tuition Certificates. Certain of such savings programs (including the U. Fund) also permit use of accrued savings at any qualifying higher education institution in the applicable state or nationwide without penalty, in contrast to the U.Plan's differentiation between use of Tuition Certificate proceeds at Participating Institutions in Massachusetts and use of such proceeds elsewhere. Certain of such Section 529 programs (including the U. Fund) also permit savings for a portion of room and board expenses, unlike the U.Plan, which is designed to promote savings for tuition and mandatory fees, and may have more flexible provisions for withdrawals of contributions for other uses (subject to a penalty, except in certain cases). However, such Section 529 programs (including the U. Fund) generally do not provide the tuition "lock-in" features that the U.Plan provides at Participating Institutions, and, unlike the U.Plan, distributions from such Section 529 programs, under current law, will be fully taxable to the distributee at the time of distribution for federal income tax purposes.

In addition, the provisions of Section 530 of the Code permit annual contributions of up to \$500 (depending on the contributor's modified adjusted gross income) to an education individual retirement account ("education IRA") for a designated beneficiary, which account may be invested as determined by the contributor. The investment earnings on investments in an education IRA are tax-deferred until distribution and tax-exempt if applied to the designated beneficiary's qualified higher education expenses at any eligible educational institution. Amounts so invested may be withdrawn at any time, but are subject to income tax and, subject to certain exceptions, an additional 10% penalty upon withdrawal if not applied to the beneficiary's qualified higher education expenses.

Because the U.Plan requires a long-term commitment of contributions, potential Purchasers should carefully evaluate the different features of the U.Plan and other college savings alternatives, including Section 529 programs such as the U. Fund and education IRAs, in deciding whether to invest in the U.Plan.

MEFA's U. Fund Program

In March, 1999, MEFA launched a college savings program, called the U. Fund, which is designed to qualify as a qualified state tuition program under Section 529 of the Code, as described above. Unlike the U.Plan, the U. Fund does not guarantee a particular percentage of tuition at participating Massachusetts institutions, but participants are able to apply amounts contributed to the U. Fund, together with investment earnings thereon, to pay tuition and, subject to certain limitations, room and board, at qualifying educational institutions nationwide. The U. Fund is invested in asset allocation portfolios allocated among domestic and international equity mutual funds, bond mutual funds and money market funds in allocations that change over time as the expected date of use by the designated beneficiary approaches. As a general matter, the investment assets in the U. Fund are less conservative than the Commonwealth general obligation bonds that back the U.Plan's Tuition Certificates; the U. Fund is also a more liquid investment than the U.Plan, although (under current law) withdrawals from the U. Fund are subject to income tax on the withdrawn earnings and, if made for purposes other than the payment of the designated beneficiary's qualified higher education expenses, to an additional penalty, subject to certain exceptions. The U.Plan and the U. Fund present distinctive approaches to saving for a beneficiary's higher education, and any potential Purchaser should carefully evaluate which approach or combination of approaches to higher education savings is appropriate in light of such potential Purchaser's objectives and circumstances. Information about the U. Fund may be obtained by telephone call to (800) 544-2776.

Return on Tuition Certificates Not Applied to Program Uses

In the event an Owner is unable to apply the proceeds of a Tuition Certificate to Program Uses, the Owner will receive, after deduction of the Stabilization Fee, the original Investment Amount plus interest calculated on such amount at CPI flat. CPI is an index that measures the price changes from year to year of a particular basket of goods and services. No assurance can be provided that the United States Department of Labor, which publishes the index, will continue to use the same basket of goods and services. From time to time proposals are made and/or adopted, the effect of which may be to adjust the basket of goods and services and computation methodology used to determine CPI in a manner which may reduce the rate of increase of the CPI. It is unknown whether any such adjustments will be implemented during the term of the Tuition Certificates or, if adjustments are implemented, what their effect will be on the amount of interest paid on Tuition Certificates. However, any such adjustments would not affect the percentages of Tuition at each Participating Institution to which a Qualifying Beneficiary will be entitled.

Inability to Use Tuition Certificate in Maturity Year

In order to exercise the option of applying the Tuition Certificate to Program Uses in an academic year after the maturity year, the Owner will be required to maintain the payment received at maturity on the Tuition Certificate in an Owner Account until the money is applied to Program Uses. Although the Owner will receive interest during such post-maturity period at what is expected to be a short-term taxable rate, such interest may be less than the investment return the Owner would receive during such period in another savings or investment vehicle and will be further reduced by the Post Maturity Fee.

Lack of Liquidity

Because of their limited market and unique features, Tuition Certificates are substantially less transferable and liquid than various alternative investment vehicles, and an Owner may be unable to sell a Tuition Certificate prior to maturity or may be unable to sell without incurring a loss.

Use of Tuition Certificates

By participating in the Program, a Participating Institution agrees in advance that the Tuition it may charge in a Qualifying Year to a Qualifying Beneficiary for the portion of Educational Services covered by a Tuition Certificate will equal the proceeds of the Tuition Certificate (i.e., the Investment Amount plus interest from the date of purchase until the Maturity Date or Early Tender Date at an annually compounded rate equal to the increase in CPI plus 200 basis points). However, participation in the Program:

- has no effect on Tuition charged by a Participating Institution (i) to students who do not present Tuition Certificates, (ii) for Educational Services in excess of the portions of Educational Services covered by a Tuition Certificate, or (iii) to students who present Tuition Certificates in a year other than a Qualifying Year or Post Maturity Year;

- has no effect on amounts charged by Participating Institutions for room and board and other charges not constituting Tuition, or on amounts charged by institutions that are not Participating Institutions;

- does not constitute a guarantee that the Tuition charged to a Qualifying Beneficiary in a Qualifying Year for the portion of Educational Services covered by a Tuition Certificate will be less, or will not be more, than the Tuition that would be charged if such Qualifying Beneficiary were not using a Tuition Certificate; for certain periods of time in which the Program has been in effect, tuition and mandatory fees at certain public Participating Institutions have decreased, rather than increased.

- does not guarantee, or in any way facilitate, admission of a student to a Participating Institution.

Financial Aid Implications

Under current federal law, the amount of prepaid tuition under a tuition prepayment plan is deemed to reduce a student's cost of attendance or is counted as estimated financial assistance for purposes of determining the student's eligibility for federal financial aid, and thereby reduces the student's federal financial aid eligibility by the full amount of such prepaid tuition. Other forms of savings may have a significantly lesser impact on federal financial aid eligibility. It is possible that in the future, treatment will be more favorable, but there can be no assurance that such treatment will change.

Continuing Participation by Participating Institutions

The Participation Agreements executed by Participating Institutions identified as such in the enrollment materials require such Participating Institutions to accept and credit Tuition Certificates as described herein and in the Enrollment Agreement. Additional Participating Institutions may elect to participate in the U.Plan in the future but in order to do so they must agree to honor all Tuition Certificates issued during the Program year in which they join and all prior years. However, each Participating Institution, upon prior notice to MEFA, may cease to participate in the U.Plan with regard to tuition certificates issued in future years. Accordingly, no assurance can be given at this time that Owners of tuition certificates purchased in future years will be able to apply such future tuition certificates for Program Uses at each of the currently identified Participating Institutions. In addition, it is possible that one or more of the Participating Institutions may dissolve or otherwise cease operations before a Tuition Certificate matures, and that a Qualifying Beneficiary would be unable to apply such Tuition Certificate at any such Participating Institution.

OWNER ACCOUNT

An Owner Account will be established in the name of each Owner on or before the Maturity Date or Early Tender Date of a Tuition Certificate. At MEFA's election, the Owner Account may be established as a book entry in the Owner's name within an account established by MEFA to hold proceeds of matured Tuition Certificates, or in a segregated account maintained directly in the Owner's name. Except as otherwise provided in the Enrollment Agreement, confirmation by MEFA of amounts to be withdrawn or transferred from the Owner Account will be required prior to any such withdrawal or transfer. The Program Account Institution at which Owner Accounts will be held will be selected by MEFA and may be changed from time to time by MEFA. Amounts in an Owner Account will be invested in bank deposits, notes or bonds issued or guaranteed by the United States, investments fully collateralized by such securities, taxable or tax-exempt money market funds, or the Massachusetts Municipal Depository Trust, maturing or available no later than the date such money is expected to be applied under this Enrollment Agreement. Amounts in an Owner Account will earn interest (which may be taxable) at a short-term interest rate based on the earnings realized through investment of such amounts. Interest on amounts held in an Owner Account will be paid to the Owner upon the Owner's withdrawal of amounts on deposit in the Owner Account. During each year after the year of maturity in which the Owner Account is open, a Post Maturity Fee may be assessed to the Owner and may be deducted from the interest payable to the Owner. In order to secure payment of fees due under the Enrollment Agreement, the moneys on deposit in the Owner Account will be subject to MEFA's security interest, and MEFA may withdraw when due an amount equal to the Stabilization Fee and any applicable Change of Beneficiary Fee, Additional Beneficiary Fee or Post Maturity Fee. Under current escheat laws, MEFA or the Program Account Institution may require confirmation from the Owner of the active status of the Owner Account every 3 years, and, if such confirmation is not obtained, amounts on deposit in an Owner Account may escheat to the Commonwealth.

APPENDIX A

ENROLLMENT AGREEMENT

(Terms and Conditions of Participation in the U.Plan Program)

SECTION I – INTRODUCTION AND PROGRAM DESCRIPTION

This Enrollment Agreement contains the basic terms and conditions of The U.Plan: The Massachusetts Prepaid Tuition Program (the "Program"), and the obligations and responsibilities of the Purchaser, the Owner and the Massachusetts Educational Financing Authority ("MEFA") in connection with the Purchaser's and Owner's participation in the Program. Capitalized terms used in this Enrollment Agreement are defined herein or in the Definitions Section which is at the end of the Enrollment Agreement.

BY SIGNING A PURCHASE REQUEST FORM, YOU AGREE TO BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS ENROLLMENT AGREEMENT. BY ACCEPTING A PURCHASE REQUEST FORM, MEFA AGREES TO BE SUBJECT TO THE TERMS AND CONDITIONS OF THIS ENROLLMENT AGREEMENT.

This Enrollment Agreement, together with the Purchase Request Form completed by you, form the Contract between MEFA and you. It sets forth the rights, responsibilities and duties which you and MEFA each have regarding the money which you deposit with MEFA for the purchase of a Tuition Certificate. It also sets forth the rights, responsibilities and duties which you and MEFA each have in connection with each Tuition Certificate you receive, including rights, responsibilities and duties relating to payments made on each Tuition Certificate.

The Program Description and Offering Statement (the "Offering Statement") to which this Enrollment Agreement is attached provides a description of the U.Plan and how it works, and important information about your rights, responsibilities and duties and those of MEFA and other participants in the Program. You should read the Offering Statement before you read this Enrollment Agreement; a general understanding of how the U.Plan works will be helpful to you in understanding the provisions and technicalities of this Enrollment Agreement. The Offering Statement also contains information about how to obtain a separate Information Statement containing financial and other information about the Commonwealth.

The Contract is subject to such rules and procedures (the "Rules") as may be adopted by MEFA, which Rules may be revised from time to time by MEFA, provided that the Rules and any changes to the Rules will not materially impair the benefits you will receive under the Program, or materially change your obligations under the Contract.

SECTION II – TUITION CERTIFICATE PURCHASES

Section 2.01.

Purchaser's Commitment to Purchase Tuition Certificate

The Purchaser will pay to MEFA, at the time each Purchase Request Form is submitted, the Deposit for each Tuition Certificate that the Purchaser intends to buy in the current Enrollment Period. In the Purchase Request Form, the Purchaser will designate for each Tuition Certificate to be purchased: (1) the Investment Amount desired and (2) the Maturity Date. By delivering the Purchase Request Form and Deposit, the Purchaser makes a non-cancelable commitment to buy Tuition Certificates with the specified Maturity Dates and in the designated Investment Amounts or in such lesser Investment Amounts as can be allocated in response to such Purchase Request Form pursuant to Section 2.03. Such commitment will be non-cancelable after July 1, 2000. The Purchaser may cancel the commitment to purchase a Tuition Certificate by delivering written notice to MEFA no later than July 1, 2000, in which case such Deposit will be refunded to the Purchaser without interest.

Section 2.02.

Purchaser's Deposit

(a) MEFA will keep the entire Deposit until it determines under Section 2.03 whether, in light of the aggregate demand for Tuition Certificates of the requested maturity or maturities, the Deposit exceeds the amount that can be invested in the requested Tuition Certificates. For the 2000 Enrollment Period, such determination will be made on or about [July 1], 2000, or as soon thereafter as possible. If MEFA determines that due to oversubscription a portion of the Deposit cannot be applied to the purchase of the requested Tuition Certificates, MEFA will refund to the Purchaser such portion of the Deposit, together with interest on such portion at a rate equal to the Refund Rate for the period of time the refunded portion of the Deposit was held by MEFA.

(b) MEFA will keep the Deposit, less any portion refunded under the prior paragraph, until the earlier of (1) the date the Bonds are issued and the Deposit is applied to the purchase of the Tuition Certificates requested by the Purchaser (which is expected to be on or about August 1, 2000 for 2000 Tuition Certificates) and (2) the date, if any, on which MEFA is informed that Bonds in the requested maturity or maturities will not be issued during the Applicable Issuance Period. If an event described in clause (2) occurs, MEFA will refund to the Purchaser as promptly as practicable any portion of the Deposit that cannot be applied to the purchase of the requested Tuition Certificates.

(c) Except in the case of refunds described in Section 2.02(a), the Purchaser will not be entitled to receive any interest on any portion of the Deposit. Tuition Certificates will not begin to accrue interest until the date they are issued, which, in the case of 2000 Tuition Certificates, is expected to be on or about August 1.

(d) MEFA will place the Deposit in an account dedicated to the holding of Program deposits, to be applied only as provided in this Enrollment Agreement. MEFA will not invest such money other than in notes or bonds issued or guaranteed by the United States, investments fully collateralized by such securities, money market funds, or the Massachusetts Municipal Depository Trust, maturing no later than the date such money is to be applied under this Enrollment Agreement.

(e) A portion of the Deposit used to purchase a Tuition Certificate may be applied upon issuance of the Bonds to pay allocable issuance costs of the Bonds on behalf of the Commonwealth. This will not affect or reduce the Investment Amount of any Tuition Certificate received by the Purchaser or any refund to which the Purchaser is entitled.

Section 2.03.

Investment Amount of Tuition Certificates

If the demand for Tuition Certificates of a particular Maturity Date exceeds the amount of Commonwealth College Opportunity Bonds with such Maturity Date to be issued during the Applicable Issuance Period, the Investment Amount of each Tuition Certificate of such maturity received by the Owner will be allocated according to methods and priorities developed by MEFA. By specifying a proposed Investment Amount for a Tuition Certificate in a Purchase Request Form, the Purchaser agrees that the Deposit made with respect to such Tuition Certificate may be applied to the purchase of a Tuition Certificate of the designated Maturity Date in such Investment Amount or in such lower Investment Amount as may be allocated to the Owner by MEFA. Other than as described above, there is no limit on the Investment Amount of any Tuition Certificate.

Section 2.04.

Certificates Maintained in Book-Entry Form; Annual Statements

Tuition Certificates will be issued and maintained in book-entry form, and the Owner will not receive physical certificates. A statement evidencing the issuance and ownership of each Tuition Certificate, and the percentages recorded on each Tuition Schedule, will be delivered to the Owner by the Program Recordkeeper as soon as possible after the Issue Date of the Related Program Bonds, and annually thereafter. From time to time the Tuition Schedule may be amended to reflect the participation in the Program of additional Participating Institutions and the applicable Educational Services Percentages, and such amendment will be reflected on the next statement sent to the Owner.

Section 2.05.

Interest Rates on Tuition Certificates

This section sets forth technical information about the interest rates payable on the Tuition Certificates. Please note, however, that, as described in Section VI, the Owner is required to assign to MEFA certain portions of the interest received on each Tuition Certificate (the Assigned Payments). After deduction of such Assigned Payments, the amount of interest that the Owner will obtain on any portion of the money invested in a Tuition Certificate that is not applied to Program Uses is a variable rate equal to the annual increase in the Consumer Price Index – All Urban Consumers, All Items ("CPI flat") from the Issue Date until the Maturity Date of the Tuition Certificate, compounded as of each August 1.

Each Tuition Certificate delivered to an Owner will bear interest as follows: (1) interest on the Investment Amount at an annual rate determined by the Commonwealth prior to issuance of the Bonds (which will be 50 basis points for Tuition Certificates issued in 2000), payable on each August 1 and February 1 (the "Current Coupon"); which interest is assigned to MEFA under Section VI of the Enrollment Agreement; (2) interest on the Accreted Amount at an annual rate equal to the Standard Accrual Rate, payable on the Maturity Date (the "Maturity Coupon"); and (3) interest in an amount equal to the difference, if any, between (a) interest on the Program Portion compounded on each August 1 to and including the Maturity Date or Early Tender Date at an annual rate equal to the Program Accrual Rate and (b) interest on the Program Portion compounded on each August 1 to and including the Maturity Date or Early Tender Date at an annual rate equal to the Standard Accrual Rate (the "Contingent Coupon"), payable only if a Qualifying Beneficiary attends a Participating Institution in a Qualifying Year or Post Maturity Year and payable on the Tuition Payment Date on which Tuition Certificate Proceeds or Post Maturity Proceeds are paid to such Participating Institution. If the Standard Accrual Rate is the percentage change in CPI plus 200 basis points, there will be no Contingent Coupon.

SECTION III – CONTRACT BENEFITS

Section 3.01.

Use of Tuition Certificate in Maturity Year

The Owner must designate a Qualifying Beneficiary for each Tuition Certificate purchased. A Qualifying Beneficiary who is a Student will be entitled to receive the Designated Portion of the Allocable Educational Services at any Participating Institution in any Maturity Year, upon payment to the Participating Institution of the Tuition Certificate Proceeds. To receive such Allocable Educational Services, an Owner must notify MEFA at least 30 days before the Tuition Payment Date on which the Owner desires to apply the Tuition Certificate Proceeds and must specify the Participating Institution at which such Tuition Certificate Proceeds are to be applied and the Designated Portion of the Allocable Educational Services to be purchased. Upon receipt of such notice and confirmation of the amount payable to the Participating Institution, MEFA will authorize payment of the Maturity Proceeds from the Owner Account to the Participating Institution on or before the applicable Tuition Payment Date, as provided in Section V of the Enrollment Agreement, or, if feasible, will transfer the Maturity Proceeds on behalf of the Owner directly to the Participating Institution. If the Tuition Certificate has been issued with a Contingent Coupon, the Owner will direct payment of the applicable portion of the Contingent Coupon to the Participating Institution.

Section 3.02.

Use of Tuition Certificate Before Maturity Year

If the Owner of a Tuition Certificate wants to apply Tuition Certificate Proceeds for a Qualifying Beneficiary at a Participating Institution during a Qualifying Year other than the Maturity Year, the Owner must notify MEFA at least 30 days before the Tuition Payment Date on which the Owner wants to apply the Tuition Certificate Proceeds and must specify the Participating Institution at which such Tuition Certificate Proceeds are to be applied and the Designated Portion of the Allocable Educational Services to be purchased. Subject to the existence of Program moneys available for this purpose, as determined by MEFA in its discretion, MEFA will purchase the designated Tuition Certificate on the applicable Early Tender Date at a price equal to the Early Tender Price. No assurance can be given that MEFA will purchase the Tuition Certificate prior to maturity. If MEFA determines that moneys are not available to purchase the Tuition Certificate on an Early Tender Date, the Owner will not be able to apply the Tuition Certificate to purchase Allocable Educational Services in such Qualifying Year. If MEFA does purchase, or cause to be purchased, the Tuition Certificate on the Early Tender Date, a Qualifying Beneficiary who is a Student will be entitled to receive the Designated Portion of the Allocable Educational Services at any Participating Institution in such Qualifying Year, upon payment to the Participating Institution of the Pre-Maturity Proceeds. MEFA will deposit, or cause to be deposited, the Early Tender Price to the Owner Account and upon confirmation of the amount payable will authorize payment of the Pre-Maturity Proceeds to the Participating Institution designated by the Owner on or before the applicable Tuition Payment Date, as provided in Section V of the Enrollment Agreement, or, if feasible, will transfer the Early Tender Price on behalf of the Owner directly to the Participating Institution. If MEFA does purchase, or cause to be purchased, a Tuition Certificate issued with a Contingent Coupon, the Owner will assign the Contingent Coupon to MEFA and MEFA will advance the applicable portion of the Contingent Coupon directly to the Participating Institution.

Section 3.03.

Use of Tuition Certificate After Maturity Year

Each Tuition Certificate will entitle a Qualifying Beneficiary who is a Student to receive from any Participating Institution in any Post Maturity Year, upon payment to the Participating Institution of Post Maturity Proceeds, a percentage of Educational Services equal to the Post Maturity Educational Services Percentage. An Owner must notify MEFA at least 30 days before the Tuition Payment Date on which the Owner desires to apply the Post Maturity Proceeds and must specify the Participating Institution at which such Post Maturity Proceeds are to be applied and, if less than the entire Post Maturity Proceeds are to be applied to obtain Educational Services at a Participating Institution, the portion of Post Maturity Proceeds to be so applied. Upon receipt of such notice and confirmation of the amount payable, MEFA will authorize payment of any portion of the requested amount of Post Maturity Proceeds from the Owner Account to the Participating Institution on or before the applicable Tuition Payment Date, as provided in Section V of the Enrollment Agreement. If the Tuition Certificate has been issued with a Contingent Coupon, the Owner will direct payment of the applicable portion of the Contingent Coupon to the Participating Institution.

Section 3.04.

Remaining Tuition Charges Unaffected

Nothing in the Contract affects or limits the Tuition charged by a Participating Institution for any portion of Educational Services not paid for with a Tuition Certificate.

Section 3.05.

Refunds of Tuition Paid for with Tuition Certificates

If a Qualifying Beneficiary becomes entitled to a refund of all or any portion of Tuition paid to such Participating Institution in a year for which such Participating Institution has accepted Tuition Certificate Proceeds or Post Maturity Proceeds for such Qualifying Beneficiary, the Participating Institution will refund to or as instructed by MEFA a portion of the Tuition refund due to the Student under the Participating Institution's refund procedures that is proportionate to the percentage of Educational Services provided by the Institution in exchange for Tuition Certificate Proceeds or Post Maturity Proceeds. If the Owner notifies MEFA within 30 days after such refunded amount is paid to MEFA that the Owner can apply all or a portion of the refunded amount as a payment or prepayment of Educational Services for a Qualifying Beneficiary or Secondary Qualifying Beneficiary at a Participating Institution, MEFA will pay all or a portion of the refunded amount to the Participating Institution so designated. If the Owner does not so notify MEFA or if the Owner designates only a portion of the refunded amount to be used at a Participating Institution, MEFA will pay the remaining portion of the refunded amount (other than amounts allocable to the Contingent Coupon) to the Owner after deducting the Stabilization Fee and will refund any amounts allocable to the Contingent Coupon to the Commonwealth.

Section 3.06.

Representation as to Qualifying Beneficiary Status

Each designation by an Owner of a Qualifying Beneficiary will constitute a representation by such Owner that the individual so designated is a Qualifying Beneficiary.

SECTION IV – TRANSFER OF TUITION CERTIFICATES; QUALIFYING BENEFICIARIES

Section 4.01.

Transfer of Tuition Certificates

The Owner shall not transfer Tuition Certificates or redesignate a Qualifying Beneficiary except as permitted under this Section IV.

Section 4.02.

Restrictions on Assignment or Transfer by Owner

Except as expressly provided in the Contract, neither the Tuition Certificates nor any interest, rights or benefits under the Contract or the Tuition Certificates may be transferred or assigned by an Owner. Neither MEFA nor the Commonwealth is obligated to purchase a Tuition Certificate before it matures, and because of the unique features of the Tuition Certificate and the transfer restrictions imposed under this Enrollment Agreement, you, the Owner, may be unable to sell or otherwise transfer title to the Tuition Certificate before it matures.

Section 4.03.
Sale or Transfer of Tuition Certificates

(a) The Owner may sell or transfer the Tuition Certificate to any person located by the Owner at whatever price is agreed to by the Owner and such purchaser, but (except in the case of transfers under Section 4.03(c) or 4.05) such transferee no longer will be entitled to special benefits at Participating Institutions (that is, such transferee will not be entitled to the Program benefits described in Sections 3.01, 3.02 or 3.03 of the Enrollment Agreement.) Such transferee will be entitled to receive on the Maturity Date the Owner Balance, which is the amount payable on the Tuition Certificate less the Stabilization Fee, and equals the initial Investment Amount of the Tuition Certificate plus interest at CPI flat. As a condition to such transfer, the transferee will be required to assign an amount equal to the Stabilization Fee to MEFA and to authorize the transfer of the Stabilization Fee from the Owner Account to MEFA on the Maturity Date. As a further condition to such transfer, the Owner will sign an assignment of the Tuition Certificate. MEFA may impose a Transfer Fee payable by the transferring Owner in connection with any such transfer.

(b) If an Owner experiences extraordinary circumstances which require such Owner to have access to the moneys invested in a Tuition Certificate prior to the Maturity Date of such Tuition Certificate, such Owner may request a financial hardship withdrawal by notifying MEFA. No assurance can be given that any such request will be honored, and neither the Commonwealth nor MEFA are under any obligation to make funds available for such purpose or otherwise facilitate such hardship withdrawal. If MEFA in its discretion elects to purchase such Tuition Certificate, such purchase will be at a price equal to the Accreted Amount of the Tuition Certificate on the August 1 preceding such withdrawal, less the Stabilization Fee, less an Early Withdrawal Fee that MEFA may impose to cover the costs of such transaction. The effect of the previous sentence is that the Owner will receive the Investment Amount of such Tuition Certificate plus interest until the August 1 preceding the withdrawal date at CPI flat, minus any Early Withdrawal Fee. Any such purchase will occur as soon after August 1 of the withdrawal year as is practicable.

(c) As an alternative to a sale under clause (a) or clause (b), the Owner may notify MEFA of the availability of the Owner's Tuition Certificate for resale through the Program on the next August 1, or any other date on which such resale may be feasible. MEFA, if so notified, in its discretion may seek to allocate or cause the Tuition Certificate to be allocated to an applicant for a Tuition Certificate, but will not be obligated to do so and may be unable to do so. If the Tuition Certificate is allocated to a new buyer, MEFA or the Agent will provide for a direct transfer of ownership from the Owner to the buyer. The Program Custodian will register a transfer of the Tuition Certificate from the Owner to the transferee. The price at which a Tuition Certificate will be purchased from the Owner will be the Accreted Amount of such Tuition Certificate on the Pre-Transfer Accretion Date at the Standard Accrual Rate. A Stabilization Fee (measured as of the Pre-Transfer Accretion Date) will be payable to MEFA as provided in Section 5.03 of the Enrollment Agreement and will be deducted from the purchase price paid to the Owner. **The effect of the prior two sentences is that, if the Owner is able to sell the Tuition Certificate under the provisions of this paragraph, after deduction of the portion of the payment that the Owner has assigned to MEFA, the cash amount the Owner will obtain will be the initial Investment Amount of the Tuition Certificate plus interest at CPI flat until the August 1 preceding the Transfer Date or, if the Transfer Date is August 1, such Transfer Date.** In connection with any such transfer, a Transfer Fee may be imposed in an amount sufficient to cover costs of processing such transfer. The Transfer Fee may be deducted from the amount paid to the Owner. As a condition to the sale and transfer of the Tuition Certificate, the Owner will assign to the transferee all of the Owner's rights and obligations under the Contract. If the Transfer Date is not an August 1, any transferee may be required to pay or assign to MEFA the interest accrued on the Tuition Certificate from the Pre-Transfer Accretion Date to the Transfer Date.

Section 4.04.
Changes in Qualifying Beneficiary; Additional Qualifying Beneficiary

The Owner may, upon payment of a Change of Beneficiary Fee, change the Qualifying Beneficiary of a Tuition Certificate from time to time by providing written notice to MEFA, together with a satisfactory representation to MEFA that the substitute Qualifying Beneficiary is a Qualifying Beneficiary Relative. When the proceeds of a Tuition Certificate are applied to Program Uses for the benefit of a designated Qualifying Beneficiary, any Excess Proceeds will be applied solely as provided in Section 5.04 of the Enrollment Agreement. Proceeds of a Tuition Certificate shall be applied for the benefit of no more than two Qualifying Beneficiaries.

Section 4.05.
Transfer of Tuition Certificate to Qualifying Beneficiary or Relative

The Owner may transfer ownership of a Tuition Certificate to a Qualifying Beneficiary at any time without restriction, provided that if the Qualifying Beneficiary is a minor, ownership shall be transferred to a custodian for such minor named in compliance with the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act or similar laws, as applicable. If the Owner of a Tuition Certificate is a minor under the Uniform Gifts to Minors Act or Uniform Transfers to Minors Act, any rights of the custodian relating to the Tuition Certificate are subject to the limitations imposed by these statutes. For example, the Qualifying Beneficiary of the Tuition Certificate will be the minor, and the custodian is not entitled to change the Qualifying Beneficiary to someone else. In addition, the custodian would not be entitled to transfer ownership of the Tuition Certificate, except under circumstances, if any, where such action is permissible under the applicable statute. The Owner also may transfer ownership of a Tuition Certificate to any individual who certifies to MEFA that the Qualifying Beneficiary designated by the Owner prior to such transfer is also a Qualifying Beneficiary of the transferee. In connection with any such transfer, MEFA may impose a Family Transfer Fee.

SECTION V – OWNER ACCOUNT

Section 5.01.
Establishment of Owner Account; Fees for Owner Account

On or before the initial date on which any moneys are deposited thereto pursuant to the Contract, MEFA will establish the Owner Account at the Program Account Institution, and by accepting a Tuition Certificate the Owner authorizes the establishment of such account. At MEFA's election, the Owner Account may be established as a book entry in the Owner's name within an account established by MEFA to hold proceeds of Tuition Certificates, or in a segregated account maintained directly in the Owner's name. Amounts in an Owner Account will be invested in bank deposits, notes or bonds issued or guaranteed by the United States, investments fully collateralized by such securities, taxable or tax-exempt money market funds, or the Massachusetts Municipal Depository Trust, maturing or available no later than the date such money is expected to be applied under this Enrollment Agreement. Amounts in an Owner Account will earn interest (which may be taxable) at a short-term interest rate based on the earnings realized through investment of such amounts. Except as otherwise provided in this Enrollment Agreement and the Rules, MEFA's confirmation that withdrawals or transfers from the Owner Account have been calculated according to the provisions of this Enrollment Agreement will be required prior to each withdrawal or transfer from the Owner Account. During each year after the maturity year in which the Owner Account is open, MEFA reserves the right to assess a Post Maturity Fee, which fee, if assessed, shall be payable by the Owner and, if not paid on a timely basis, may be deducted by the Program Account Institution from investment earnings payable to the Owner as described in Section 5.02 of the Enrollment Agreement.

Section 5.02.
Withdrawal of Investment Earnings on Owner Account

Investment earnings on amounts on deposit in the Owner Account will be paid to the Owner upon the withdrawal of all amounts on deposit in the Owner Account, subject to the Program Account Institution's right to deduct the Post Maturity Fee pursuant to Section 5.01.

Section 5.03.
Pledge of Owner Account

MEFA will charge the Owner, and the Owner by accepting a Tuition Certificate agrees to pay, the fees described in the Contract when and if due, including but not limited to the semi-annual administrative fee described in Section VI of the Enrollment Agreement and the Stabilization Fee, and, if assessed, any applicable Transfer Fee, Change of Beneficiary Fee, Additional Beneficiary Fee or Post Maturity Fee. In order to secure the payment of such fees if and when payable, the Owner, by accepting the Tuition Certificate, grants, pledges and assigns to MEFA a security interest in the funds deposited to the Owner Account, and irrevocably authorizes MEFA to withdraw or cause to be withdrawn from the Owner Account when due under the terms of this Enrollment Agreement an amount equal to the Stabilization Fee and any applicable Change of Beneficiary Fee, Additional Beneficiary Fee or Post Maturity Fee.

**Section 5.04.
Deposits to and Withdrawals from Owner Account**

(a) On the Maturity Date of a Tuition Certificate, MEFA will cause to be deposited to the Owner Account an amount equal to the Accreted Amount of such Tuition Certificate calculated at the Standard Accrual Rate. If a Tuition Certificate is purchased from the Owner before the Maturity Date under Section 3.02 of this Enrollment Agreement, MEFA will deposit, or cause to be deposited, to the Owner Account on the Early Tender Date an amount equal to the Early Tender Price, provided that if on such Maturity Date or Early Tender Date MEFA has been directed to transfer such moneys to a Participating Institution, MEFA may effectuate a direct transfer of such moneys on behalf of the Owner to the Participating Institution.

(b) Subject to MEFA's prior confirmation that the amount withdrawn or transferred has been properly calculated, the Owner may withdraw moneys on deposit in the Owner Account or may direct that payment be made to a Participating Institution for Program Uses as provided in Section 3.01, 3.02 or 3.03 of this Enrollment Agreement. At the time of withdrawal or payment from the Owner Account relating to a particular Tuition Certificate, other than payments under Section VI of the Enrollment Agreement, the Owner Account will be closed out with regard to such Tuition Certificate. Excess Proceeds of such Tuition Certificate on deposit in the Owner Account may be applied, as directed by the Owner: (1) to prepay tuition in one or more subsequent years at the Participating Institution attended by the Qualifying Beneficiary or the Secondary Qualifying Beneficiary, but only if and to the extent that the Participating Institution allows such prepayment; (2) to pay for the Designated Portion of Allocable Educational Services or the Post Maturity Educational Services Percentage at a Participating Institution for a Secondary Qualifying Beneficiary; or (3) to pay the Owner Balance to or for the account of the Owner as instructed by the Owner. Upon such closing out of the Owner Account, any Stabilization Fee not previously paid will be transferred by MEFA to the Stabilization Fund. Any designation by the Owner of a Secondary Qualifying Beneficiary shall be subject to the Owner's payment of an Additional Beneficiary Fee.

(c) In the case of a Tuition Certificate that has been transferred as specified in Section 4.03(a) of the Enrollment Agreement, MEFA is authorized to close out the Owner Account with respect to such Tuition Certificate on its Maturity Date, without notice or approval from the Owner, by authorizing the payment to or for the Owner's account of the Owner Balance and transferring the Stabilization Fee to the Stabilization Fund.

SECTION VI – ADMINISTRATIVE FEES; ASSIGNED PAYMENTS

MEFA will charge the Owner, in addition to any other fees specified in the Contract, and the Owner by accepting the Tuition Certificate agrees to pay, only from the Current Coupon interest on each Tuition Certificate, a semi-annual administrative fee equal to payments received on the Current Coupon. The Owner by accepting the Tuition Certificate irrevocably assigns to MEFA and authorizes MEFA to receive on behalf of the Owner from the Program Custodian, payments on the Current Coupon and apply such payments to such administrative fee. The Owner also agrees to pay the Stabilization Fee when required under this Enrollment Agreement, and, if a Stabilization Fee becomes payable, irrevocably assigns to MEFA its interest in an amount of funds deposited in the Owner Account equal to the Stabilization Fee. Such Assigned Payments will be used by MEFA to pay for Program operating costs and related program expenditures.

SECTION VII – MISCELLANEOUS PROVISIONS

**Section 7.01.
Notices and Changes**

All notices, changes, and choices made under the Contract must be in writing, signed by the Owner and received by MEFA at the address specified by MEFA, along with any supporting documentation MEFA may reasonably require and any applicable administrative fees.

**Section 7.02.
Additional Fees Charged by Participating Institutions**

Participating Institutions may charge fees in addition to the Tuition and Mandatory Fees described herein. Such additional fees shall not be payable from Tuition Certificate Proceeds.

**Section 7.03.
Notice of Intent to Apply Contract Benefits**

The applicable Owner must submit written notification to MEFA at least thirty (30) days prior to the projected commencement date for utilization of the Contract benefits by a Qualifying Beneficiary.

**Section 7.04.
Identification**

To avoid back-up withholding on amounts payable to or on behalf of a Purchaser, Owner or Qualifying Beneficiary under the Contract, the Owner and Qualifying Beneficiary shall submit when required a valid and completed Internal Revenue Service Form W-9.

**Section 7.05.
Document Replacement or Copies**

A Purchaser may obtain replacements of Program documents or copies of documents from MEFA. A minimum fee of \$5.00 per document shall be assessed.

**Section 7.06.
Annual Statements**

Each Owner will receive an annual statement from the Program Recordkeeper indicating the Owner Accreted Amount of each Tuition Certificate and the aggregate Educational Services Percentages by Maturity Date and Participating Institution to which the Qualifying Beneficiary is entitled under the Program.

**Section 7.07.
Disclaimers**

Nothing in the Contract shall be construed as a promise or a guarantee by MEFA, employees or consultants of MEFA, the Commonwealth or any Participating Institution that a Qualifying Beneficiary (a) will be admitted to a Participating Institution; (b) will be admitted to a particular Participating Institution; (c) will be allowed to continue to attend a Participating Institution after having been admitted; (d) will be graduated from a Participating Institution; or (e) if admitted to a Participating Institution, will meet that institution's residency requirements for In-State Tuition. Nothing in the Contract shall constitute a promise or guarantee that each or any Participating Institution will be in existence at the time a Qualifying Beneficiary seeks to enroll or apply a Tuition Certificate. The benefits described in the Contract are conditioned on timely payments by the Commonwealth on the Related Program Bonds. Nothing in the Contract shall be construed as a promise or guarantee by MEFA or any Participating Institution that the Commonwealth will make such timely payments.

**Section 7.08.
Waiver of Rules**

MEFA, in its discretion, may waive provisions of the Contract and of the Rules to prevent hardship to the Purchaser, Owner or the Qualifying Beneficiary.

**Section 7.09.
Interpretation**

The Contract is to be interpreted under the laws of the Commonwealth.

**Section 7.10.
Severability**

In the event that any clause or portion of the Contract is found to be invalid or unenforceable by a court or competent jurisdiction, that clause or portion shall be severed from the Contract and the remainder of the Contract will remain in full force and effect.

**Section 7.11.
Limited Recourse**

The obligations of MEFA under this Enrollment Agreement and the Contract are limited obligations payable only from moneys received by or available to MEFA in connection with the Program, and no recourse shall be had by the Purchaser, Owner or any other party against the general funds of MEFA or any other funds of MEFA in connection with any obligation arising out of this Enrollment Agreement, the Contract, the Program or any related transaction. No recourse shall be had for the payment of any such obligation against any member, officer or employee of MEFA. The Commonwealth has no responsibility under the Program other than to pay the principal of and interest on the Bonds when due in accordance with the terms of the Bonds.

DEFINITIONS SECTION

"Accreted Amount" means, with respect to a Commonwealth College Opportunity Bond or Tuition Certificate, the initial principal amount of such Bond or the Investment Amount of such certificate, as applicable, increased on each August 1 to and including the Maturity Date, or, if applicable, the Early Tender Date or Pre-Transfer Accretion Date, by adding to the Accreted Amount in effect on the prior August 1 (or, in the case of the August 1 immediately following the Issue Date, in effect on the Issue Date) the dollar amount obtained by applying the Standard Accrual Rate or Program Accrual Rate, as applicable, in effect since the prior August 1 (or Issue Date) to the Accreted Amount as of such prior August 1 (or Issue Date).

"Additional Beneficiary Fee" means the fee, if any, imposed by MEFA in connection with the Owner's designation of a Secondary Qualifying Beneficiary of a Tuition Certificate, as established by MEFA from time to time.

"Agent" or "Point of Sale Agent" means the contractor selected from time to time by MEFA to accept Purchase Request Forms and Deposits, and if no such contractor is selected, shall mean MEFA.

"Allocable Educational Services" means a percentage of Educational Services in the Qualifying Year in which a Tuition Certificate is used at a Participating Institution that equals the Educational Services Percentage.

"Applicable Issuance Period" means the period extending from the day after the end of an Enrollment Period to and including August 1 of the calendar year in which the Enrollment Period ends.

"Assigned Payments" means the payments received by the Owner on a Tuition Certificate that the Owner has assigned to MEFA under Section VI of the Enrollment Agreement, consisting of the Current Coupon on each Tuition Certificate and a portion of any payment received by an Owner on a Tuition Certificate equal to the Stabilization Fee, provided that the assignment of the amounts equal to the Stabilization Fee shall be effective only if, and to the extent, the Stabilization Fee becomes payable.

"Change of Beneficiary Fee" means the fee, if any, imposed by MEFA in connection with a change in the name of the Qualifying Beneficiary of a Tuition Certificate.

"Commonwealth College Opportunity Bond" or "Bond" means a general obligation bond issued by The Commonwealth of Massachusetts and deposited with the Program Custodian and bearing interest as described in Section 2.05 of the Enrollment Agreement.

"Contingent Coupon" — see Section 2.05 of the Enrollment Agreement.

"CPI" means the Consumer Price Index — All Urban Consumers, All Items, as published by the United States Department of Labor, Bureau of Labor Statistics during the calendar month before the calendar month of the Issue Date of a Related Program Bond and during the calendar month before each applicable compounding date on the Related Program Bond, or, if such index is eliminated, any successor to such index.

"CPI Flat" means a variable interest rate equal to the annual positive percentage change, if any, in CPI since the preceding August 1 (or, in the case of the August 1 immediately preceding the Issue Date, a dollar amount equal to the annualized positive percentage change, if any, in CPI since the Issue Date), compounded on each August 1.

"Current Coupon" — see Section 2.05 of the Enrollment Agreement.

"Deposit" means the aggregate amount, equal to the proposed Investment Amount of all Tuition Certificates to be purchased pursuant to the Contract, paid by the Purchaser and transferred to MEFA pursuant to Section 2.02 of the Enrollment Agreement.

"Designated Portion" means that percentage of Allocable Educational Services that an Owner designates for use on a particular Tuition Payment Date at a particular Participating Institution for a particular Qualifying Beneficiary.

"Early Tender Date" means August 1 of either of the two years immediately preceding the Maturity Date of a Related Program Bond, provided the Owner sells the Tuition Certificate on such Early Tender Date as described in Section 3.02 of the Enrollment Agreement.

"Early Tender Price" means the Accreted Amount of the Tuition Certificate at the Standard Accrual Rate on the Early Tender Date.

"Early Withdrawal Fee" means the fee, if any, charged by MEFA in connection with any financial hardship withdrawal pursuant to Section 4.03(b) of the Enrollment Agreement, as established by MEFA from time to time.

"Educational Services" means the services and rights the Participating Institution provides to a Student in return for the Student's payment of Tuition to the Institution; Educational Services does not include fees for room and board, travel, health care, books, supplies or equipment.

"Educational Services Percentage" means the percentage of Educational Services that the Investment Amount of a Tuition Certificate would purchase in the academic year beginning during the calendar year in which the Tuition Certificate was issued, as set forth on the applicable Tuition Schedule. The Educational Services Percentage listed on a Tuition Certificate may be greater than 100% for one or more Participating Institutions.

"Effective Year" means any year designated by a Participating Institution in its Participation Agreement with MEFA as a year with respect to which Tuition Certificates issued in such year will be honored by such Participating Institution under the terms of the Participation Agreement and the Enrollment Agreement.

"Enrollment Period" means for each year the period designated by MEFA during which new Contracts will be accepted by MEFA.

"Excess Proceeds" means the excess, if any, of (i) the proceeds of a Tuition Certificate deposited to an Owner Account and proceeds available under a Contingent Coupon over (ii) the proceeds of a Tuition Certificate, if any, paid to a Participating Institution (including proceeds of a Contingent Coupon) for Program Uses.

"Family Transfer Fee" means the fee, if any, imposed by MEFA in connection with any change of Owner of a Tuition Certificate pursuant to Section 4.05.

"In-state Tuition" means, in the case of any public Participating Institution, Tuition payable by a Student who is a resident of the Commonwealth.

"Investment Amount" means the initial amount invested by the Purchaser in a Tuition Certificate, as represented by the initial principal amount of the Tuition Certificate (or, in the case of a Tuition Certificate acquired after the initial issuance of such Tuition Certificate pursuant to a transfer described in Section 4.03(b) of the Enrollment Agreement, the Accreted Amount at the Standard Accrual Rate as of the date of acquisition).

"Issue Date" means the date on which a Related Program Bond is issued.

"Mandatory Fees" means non-waivable fees required by a Participating Institution for the enrollment or attendance of a full-time Student for the full applicable academic year, exclusive, unless otherwise indicated by the Participating Institution, of specialized fees charged only in certain years (e.g., orientation fees and graduation fees), and incremental fees for specialized programs, majors or courses of study (e.g. lab fees, computer fees), as reported by the Participating Institution to MEFA.

"Maturity Date" means the August 1 of the year in which a Related Program Bond matures.

"Maturity Proceeds" means (i) the Accreted Amount of a Tuition Certificate at the Program Accrual Rate on the Maturity Date multiplied by (ii) the Designated Portion.

"Maturity Year" means the academic year of a Participating Institution beginning in the calendar year of the Maturity Date.

"Non-Program Portion" means for each Tuition Certificate, a percentage of the Investment Amount equal to the percentage of the amount deposited from a Tuition Certificate to the Owner Account on the Maturity Date or, if applicable, Early Tender Date that is not applied by the Owner for Program Uses, as determined by MEFA.

"Nonresident Tuition" means, in the case of any public Participating Institution, Tuition payable by a Student who is not a resident of the Commonwealth.

"Owner" means the Purchaser. "Owner" includes any custodian for a minor named in compliance with the Uniform Gifts to Minors Act and Uniform Transfers to Minor Acts or similar laws as applicable.

"Owner Account" means an account established in an Owner's name (or, if an Owner has transferred the Tuition Certificate as described in Section 4.03(b) of the

Enrollment Agreement, the name of the transferee), including by book entry in an account established by MEFA, at the Program Account Institution for the deposit of Tuition Certificate Proceeds.

"Owner Accreted Amount" means, with respect to each Tuition Certificate, the Investment Amount of such Tuition Certificate, increased on each August 1 to and including the Maturity Date or, if applicable, the Early Tender Date or Pre-Transfer Accretion Date, by adding to the Owner Accreted Amount in effect on the prior August 1 (or, in the case of the August 1 immediately following the Issue Date of such Tuition Certificate, in effect on such Issue Date) a dollar amount equal to the positive percentage change, if any, in CPI since the preceding August 1 (or, in the case of the August 1 immediately preceding the Issue Date, a dollar amount equal to the annualized positive percentage change, if any, in CPI since the Issue Date).

"Owner Balance" means, with respect to each Tuition Certificate, the Non-Program Portion increased on each August 1 to and including the Maturity Date or, if applicable, the Early Tender Date or Pre-Transfer Accretion Date, by adding to the Owner Balance in effect on the prior August 1 (or, in the case of the August 1 immediately following the Issue Date of such Tuition Certificate, in effect on such Issue Date) a dollar amount equal to the positive percentage change, if any, in CPI since the preceding August 1 (or, in the case of the August 1 immediately preceding the Issue Date, a dollar amount equal to the annualized positive percentage change, if any, in CPI since the Issue Date).

"Participating Institution" means an institution of higher education located in The Commonwealth of Massachusetts, authorized under federal or state law to provide educational programs and accredited by a nationally recognized accreditation agency, which has executed a Participation Agreement with MEFA pursuant to which such institution has committed (i) to provide Allocable Educational Services for a Qualifying Beneficiary who is a Student at such institution in a Qualifying Year upon receipt of Tuition Certificate Proceeds of Tuition Certificates issued in Effective Years, and (ii) to provide the Post Maturity Educational Services Percentage for a Qualifying Beneficiary who is a Student in a Post Maturity Year upon receipt of Post Maturity Proceeds of Tuition Certificates issued in Effective Years, in either case subject to the conditions described in the Enrollment Agreement and Participation Agreement.

"Participation Agreement" means the agreement between MEFA and a Participating Institution governing the Participating Institution's participation in the Program.

"Post Maturity Educational Services Percentage" means a percentage of Educational Services in the Post Maturity Year a Tuition Certificate is used at a Participating Institution equal to the ratio of (i) the Post Maturity Educational Services Rate to (ii) the Tuition in effect in such year, multiplied by 100. The Post Maturity Educational Services Percentage is referred to as the "Applicable Educational Services Percentage" in the Participation Agreement.

"Post Maturity Educational Services Rate" means a dollar amount equal to (i) the Allocable Educational Services (assuming payment to the Participating Institution of the Tuition Certificate Proceeds) multiplied by Tuition in effect on the Maturity Date of the Related Program Bond multiplied by (ii) a fraction consisting of (A) the proceeds of a Tuition Certificate paid to the Participating Institution over (B) the Tuition Certificate Proceeds which the Participating Institution would have received in the Maturity Year as a condition to providing the Allocable Educational Services. The Post Maturity Educational Services Rate is referred to as the "Educational Services Rate" in the Participation Agreement.

"Post Maturity Fee" means the annual fee, if any, imposed under Section 5.01 for the maintenance of the Owner Account.

"Post Maturity Proceeds" means proceeds of a Tuition Certificate remaining on deposit in an Owner Account after a Tuition Payment Date in the Maturity Year, and, if applicable, Contingent Coupon proceeds payable after a Tuition Payment Date in the Maturity Year.

"Post Maturity Year" means each of the academic years, other than a Qualifying Year, that begins within six years of the Maturity Year.

"Pre-Maturity Proceeds" means (i) the Accreted Amount of a Tuition Certificate at the Program Accrual Rate on the applicable Early Tender Date multiplied by (ii) the Designated Portion.

"Pre-Transfer Accretion Date" means the August 1 immediately preceding the Transfer Date or, if the Transfer Date is August 1, the Transfer Date.

"Program Account Institution" means the financial institution or institutions (including without limitation an investment company, mutual fund or money market fund) selected from time to time by MEFA to establish Owner Accounts.

"Program Accrual Rate" means interest at an annual rate equal to the percentage change in CPI since the previous August 1 or, in the case of the August 1 immediately following the Issue Date, the annualized percentage change in CPI since the Issue Date, in each case plus 200 basis points. If the percentage change in CPI during any compounding period is negative, such negative percentage will be deducted from the 200 basis points, but if the resulting percentage is negative or zero, no adjustment will be made to the prior compounded value.

"Program Custodian" means the financial institution selected from time to time by MEFA to take custody of Commonwealth College Opportunity Bonds and issue Tuition Certificates.

"Program Portion" means for each Tuition Certificate, the Investment Amount less the Non-Program Portion.

"Program Uses" means the application of payments received on a Tuition Certificate issued in an Effective Year to purchase Educational Services for a Qualifying Beneficiary at a Participating Institution in a Qualifying Year or Post Maturity Year.

"Purchase Request Form" means a request for acceptance into the Program, made on a form approved by MEFA.

"Purchaser" means the person or entity providing the Investment Amount towards the purchase of Tuition Certificates thereunder, who will be the initial Owner of each such Tuition Certificate.

"Qualifying Beneficiary" means for each Tuition Certificate, the Owner or another person designated as a beneficiary by the Owner as permitted under the Rules and who has been certified, to the satisfaction of MEFA, as the Owner's sibling or as a living lineal descendant of the Owner or the Owner's sibling. A lineal descendant includes any persons deemed lineal descendants under the Rules, such as step or adopted lineal descendants. A Qualifying Beneficiary has no vested rights in a Tuition Certificate, and the Owner has the right to change a Qualifying Beneficiary designation at any time, provided the new Qualifying Beneficiary is a Qualifying Beneficiary Relative of the preceding Qualifying Beneficiary.

"Qualifying Beneficiary Relative" means a Qualifying Beneficiary who is, with respect to the preceding Qualifying Beneficiary, (i) an ancestor, (ii) a lineal descendant or (iii) a lineal descendant of the parent of the preceding Qualifying Beneficiary.

"Qualifying Year" means the Maturity Year and the two preceding academic years.

"Refund Rate" means the rate of interest, as determined by MEFA, equal to the weighted average rate of return earned by MEFA on all Deposits received by MEFA during the period preceding a refund on which the Refund Rate is paid.

"Related Program Bond" means the Commonwealth College Opportunity Bond to which a Tuition Certificate relates.

"Secondary Qualifying Beneficiary" means, for each Tuition Certificate, the Owner or another person who is not the primary Qualifying Beneficiary and who is (i) a Qualifying Beneficiary Relative of the primary Qualifying Beneficiary and (ii) designated by the Owner at the time the proceeds of a Tuition Certificate are applied as a Qualifying Beneficiary as permitted by the Rules.

"Stabilization Fee" means an amount equal to (i) the Accreted Amount of a Tuition Certificate at the Standard Accrual Rate on the Maturity Date or, if applicable, the Early Tender Date or Pre-Transfer Accretion Date, minus (ii) any Tuition Certificate Proceeds or Post Maturity Proceeds of such Tuition Certificate paid to a Participating Institution for Program Uses, minus (iii) the Owner Balance.

"Stabilization Fund" means the fund of that name established on the books of MEFA.

"Standard Accrual Rate" means interest at an annual rate equal to the percentage change in CPI since the prior August 1 or, in the case of the August 1 immediately following the Issue Date, the annualized percentage change in CPI since the Issue Date, in each case plus the maximum number of basis points (which shall be at least 0 and at most 200) that can be added to such percentage change in CPI consistent with the tax-exempt treatment of the Standard Accrual Rate, as determined on or before the Issue Date. If the percentage change in CPI during any compounding period is negative, such negative percentage will be deducted from the number of basis points added pursuant to the preceding sentence, but if the resulting percentage is negative or zero, no adjustment will be made to the prior compounded value.

"Student" means (i) an undergraduate student at a Participating Institution who is pursuing studies or conducting research to meet the requirement for an academic or professional degree or (ii) a full-time or part-time undergraduate student at

a Participating Institution, if such institution provides an educational program that is acceptable for full-credit towards a bachelor's or higher degree, or offers a program of training to prepare students for gainful employment in a recognized occupation.

"Transfer Date" means the effective date of any transfer of a Tuition Certificate in accordance with Section 4.03(b) the Enrollment Agreement.

"Transfer Fee" means the fee, if any, imposed by MEFA in connection with any permitted change of Owner of a Tuition Certificate, other than pursuant to Section 4.05.

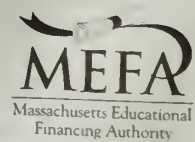
"Tuition" means tuition rates, whether expressed as annual, semester, trimester, quarter or credit-hour charges or otherwise, required for the enrollment or attendance of a full-time Student attending a Participating Institution, plus Mandatory Fees. In the case of a public Participating Institution, In-state Tuition and Nonresident Tuition will be separately stated for purposes of each Tuition Schedule, and references to Tuition in this Enrollment Agreement mean In-state Tuition or Nonresident Tuition, as applicable at the time of attendance to the Qualifying Beneficiary for whose benefit Contract benefits are applied. A Participating Institution may also separately state Tuition for specialized programs, and such specialized program Tuition will be separately stated on each Tuition Schedule.

"Tuition Certificate" means a certificate, or acknowledgment of a book entry, representing a fractional ownership interest in a Commonwealth College Opportunity Bond with a specified Issue Date and Maturity Date held by the Program Custodian.

"Tuition Certificate Proceeds" means the Maturity Proceeds or Pre-Maturity Proceeds of a Tuition Certificate, as applicable. Tuition Certificate Proceeds are referred to as "Program Certificate Proceeds" in the Participation Agreement.

"Tuition Payment Date" means the earliest date established by the applicable Participating Institution for payment of Tuition by all Students.

"Tuition Schedule" means the schedule maintained by the Program Recordkeeper setting forth the Educational Services Percentage relating to the Allocable Educational Services to be obtained by a Qualifying Beneficiary at each Participating Institution in exchange for the Maturity Proceeds or Pre-Maturity Proceeds paid to such Participating Institution in a Qualifying Year. The Tuition Schedule may be amended from time to time by MEFA to reflect the participation of additional Participating Institutions and the Educational Services Percentage relating to the Allocable Educational Services to be provided by each such additional Participating Institution for a Qualifying Beneficiary in exchange for the Maturity Proceeds or Pre-Maturity Proceeds paid to such Participating Institution in a Qualifying Year.



MEFA

At the request of Massachusetts colleges and universities, the Massachusetts Educational Financing Authority (MEFA) was established in 1982 under Massachusetts General Laws "to assist borrowers and institutions for higher education in the financing and refinancing of the cost of education" and to increase the "commerce, welfare, and prosperity" of the people of the Commonwealth. Subsequent legislation directed MEFA to establish college savings programs.

MEFA's mission is to promote the economic development of the higher education industry through low-cost financing alternatives, structured college savings programs, and by providing college financing expertise to students, families, colleges, and universities.

MEFA'S PROGRAMS INCLUDE:

- The U.Fund College Investing Plan, offered by MEFA and managed by Fidelity Investments, enables families to invest for qualified higher education expenses through a selected portfolio of professionally managed mutual funds.
- The MEFA Loan, one of the nation's lowest cost college loan programs, assists families of undergraduate and graduate students from all states attending Massachusetts colleges and universities (as well as Massachusetts residents attending any college in the country).
- Public Service Outreach, including free educational seminars on saving for and financing a college education for parents and students across Massachusetts.
- Professional Outreach, including instructional seminars to guidance counselors, admissions and financial aid professionals, and financial planners on college financing and financial aid.

In its 18-year history, MEFA has issued over \$1 billion in bonds and assisted over 100,000 families in financing a college education.

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The **PLAN**

Prepaid Tuition Program

